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TODAY: TECHNOLOGY NASA Thinks Small Page 10

Clinton Intends to 'Do My Job'

Never Stopped Conducting Foreign Affairs, He Says

By Brian Knowlton
International Herald Tribune

WASHINGTON — President Bill Clinton stated firmly Wednesday that he was determined to continue to lead the country and vigorously pursue his conduct of foreign and domestic affairs.

Mr. Clinton made the comments in his first encounter with reporters since the report by the independent counsel Kenneth Starr on his affair with Monica Lewinsky was made public last Friday. He spoke at the State Department in a joint news conference with the visiting Czech president, Vaclav Havel.

While acknowledging the turmoil that the Starr report has created about his leadership, he repeatedly emphasized his obligation to the American people and to his family to remain in the White House.

"Now that they know what happened, they want to go on and want me to go on and do my job, and that's what I intend to do," he said. "That is the right thing to do."

Polls so far have shown a majority of Americans oppose forcing Mr. Clinton from office.

"I am seized on two things. I am trying to do the still quite painful work that I need to do with my family in our own life, and I'm determined to lead this country and to focus on the issues that are before us," Mr. Clinton said.

Asked about his handling of foreign policy, he said: "I have never stopped leading this country in foreign affairs in this entire year, and I never will."

Mr. Clinton also warned of a "a major humanitarian disaster" in Kosovo, where tens of thousands of ethnic Albanians are hiding in the mountains after Serb attacks.

"It is imperative that we move forthrightly with our allies as firmly as possible to avert the humanitarian tragedy and then to get a political solution" in the war-racked Yugoslav province, Mr. Clinton told the news conference.

Amid rising concern in foreign capitals about the threat to Mr. Clinton's leadership posed by the grave charges in the Starr report, he said he had remained closely in touch with other world leaders, and was "very, very heartened" by reaction from foreign leaders to his call Monday for a joint approach to the spreading global economic crisis.

For Mr. Clinton, it was yet another awkward clash between statesmanship and political scandal.

But he received welcome support from Mr. Havel, the former political dissident whose determined fight against Communist rule in the former Czechoslovakia conferred on him a powerful aura of integrity and international prestige.

Mr. Havel artfully sidestepped questions about Mr. Clinton's predicament, saying that there were many facets of American life he understood — and some that he did not.

Mr. Clinton, in response to a direct question about the possibility of his resignation, said, "I intend to go on, to do my job."

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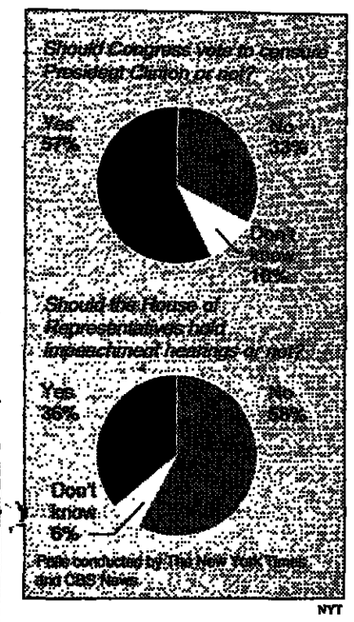
Doug Mills/The Associated Press

Mr. Clinton strolling Wednesday in Washington with President Vaclav Havel of the Czech Republic.



NYT

PUBLIC'S VERDICT — Most Americans believe Congress should censure President Clinton without holding impeachment hearings, according to nationwide polls conducted by The New York Times and CBS News. Page 6.

No Global Rate Cut Seen by Greenspan

Fed Chairman Doesn't Suggest Quick Reduction in U.S. Either

By Mitchell Martin
International Herald Tribune

NEW YORK — Quashing hopes of a global reduction in interest rates to bolster weak economies, Alan Greenspan, chairman of the Federal Reserve Board, said Wednesday that developed countries were not working on a coordinated move.

"I think that I can safely say that at the moment there is no endeavor to coordinate interest-rate cuts," Mr. Greenspan said, addressing the House Banking Committee in Washington.

There is, however, "fairly extensive" contact among the central banks of the big developed economies, he said.

Mr. Greenspan, appearing before the committee with Treasury Secretary Robert Rubin to discuss the global economy, did not indicate that the U.S. central bank would move quickly to reduce relatively high domestic interest rates in response to problems in other countries, an idea he broached as a possibility earlier this month.

"Our actions must be focused at the end of the day on the American economy," he said in response to a question from Representative John LaFalce, Democrat of New York.

Mr. Greenspan left unclear the outlook for U.S. rates, but Robert DiClemente, economist at Salomon Smith Barney, noted that bond traders were taking the position that a reduction was not imminent. The 30-year Treasury bond's yield fell to 5.23 percent, from 5.26 percent on Tuesday, indicating traders felt the economy was most likely to weaken rather than get a boost from a cut in short-term rates, Mr. DiClemente said.

The Brazilian stock market was also hurt by the testimony from Mr. Greenspan and Mr. Rubin, and the benchmark Bovespa index, which had been about 9 percent higher for the day, finished about 2 percent lower. Brazil, which has seen significant outflows of money in recent days, was hurt both by the waning chances of a global rate cut and by Mr. Rubin's refusal to confirm that there are plans to help the country defend its currency, the real.

In response to a question from Mr. LaFalce, who asked if the United States would "draw the line in Brasilia" to "arrest any further devaluation" in the real, Mr. Rubin said, "I think it is probably

See ECONOMY, Page 12

Treasury Secretary Robert Rubin refused to confirm that there were plans to help Brazil's currency.

Allies Worry About U.S. Leadership

Appalled at President's Humiliation, They Fear for World Agenda

By Joseph Fitchett
International Herald Tribune

PARIS — The international reaction to President Bill Clinton's political woes has been passionate, almost irate in allied countries, partly because most foreigners are appalled by the humiliating public stripping of a national leader. But passion is also high because many people in these countries feel that the potential for a paralysis of U.S. power will imperil their own national interests, diplomats and officials said Wednesday.

"The international agenda is suddenly jammed with urgent questions — economic, military and organizational — that require U.S. leadership to catalyze some useful consensus among allies who are able to do little or nothing separately," said Jonathan Eyal, director of studies at London's Royal United Services Institute.

Explaining why the juncture of these questions with Mr. Clinton's predicament is so crucial, Mr. Eyal said that "for the first time since the end of the Cold War, the core principles on which the West is organized — democracy and free markets — are under serious threat, and only the American presidency has the authority to attempt restoring these foundations."

This historic challenge is manifest in the nearly anarchic state of Russia and the protectionist momentum in Asia, where a rising chorus of influential voices has started advocating curbs on markets.

Ominous developments have emerged in quickening tempo recently in North Korea, Iraq and Kosovo — all hot spots where U.S.-led containment policies seem to be unraveling and offering fresh opportunities to Pyongyang, Baghdad and Belgrade.

The risk now, Donald Cameron Watt, a distinguished Cold War historian, said recently, is that Saddam Hussein or "some of the other naughty boys might be tempted to see how far they could take advantage" of any power vacuum in Washington if President Clinton's energy is sapped by an impeachment inquiry.

In encounters with British, French, Germans and other Europeans in recent weeks, a former American ambassador reports, "I'm assailed by angry Europeans about what is happening in America — because they realize that they depend on Washington more than on their own governments to handle international problems."

London, Bonn and Paris, for example, look to Washington to set the pace in handling the response to India's nuclear tests and the danger that many analysts see of armed conflict between India and Pakistan over Kashmir.

Suddenly, Ukraine's future looks uneasy as a neighbor under threat of being dragged down by Russia's economic collapse and worsening political instability.

Cyprus, with its plan to acquire Russian-built missiles, has brought Turkey and Greece to the point of threatening

See POWER, Page 6

Bad Numbers In Asia Show The Recession Is Worsening

By Sheryl WuDunn
New York Times Service

TOKYO — As statistics and despair pile up in the countries of Asia, it is becoming clear that the region's recession is deepening, along with the economic and social devastation it brings.

The number of people out of work is rising, and economic output is sinking at its fastest rate in years — in leading countries such as South Korea and Japan, it has been decades since there has been a decline so severe and so widespread.

Banks in many countries are shaky, and corporate failures are feeding a sense of gloom. Stock markets in much of the region have fallen by more than half from their peaks; Malaysia's is down 80 percent in two years.

Unemployment has soared. Soup kitchens and rice lines are appearing around the region, and parks and boulevards are filling up with the new homeless.

United States ready for massive trade deficits to help Asia. Page 14.

As governments across East Asia have released half-year report cards in the last few weeks, hopes that there will be a recovery soon have vanished.

"A handful of countries are under depression," said Tim Condon, regional economist at Morgan Stanley Dean Witter in Hong Kong. "People's expectations are adjusting downward. They're close to the point of despair."

Mr. Condon is one of a number of economists beginning to call the predicament of some Asian countries a depression. He does not compare it, yet, to the Great Depression of the 1930s but says it is much more severe than a mere recession, which has been the common experience in the era since World War II and is usually characterized by a relatively short and shallow fall in output that leads to a moderate rise in unemployment.

In particular, Indonesia, South Korea, Thailand, Hong Kong and Malaysia are undergoing severe contractions in their economies and spikes in unemployment.

Countries with stronger economies are being affected as well. Governments are trimming their growth projections to about 1 percent in the Philippines and Singapore, which do not have the same structural problems as the countries in recession.

Nor has China emerged unscathed.

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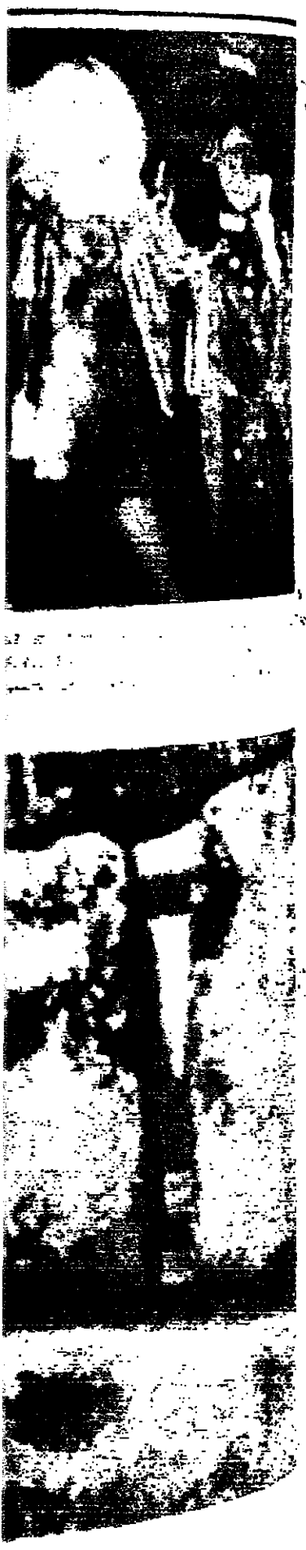

No Way Out Of This Crisis Is Evident in The Beltway

By R.W. Apple Jr.
New York Times Service

WASHINGTON — Much of political Washington, especially the elders who have lived through all this once before, is searching for a way out of the crisis into which President Bill Clinton has plunged the nation's political system. But everywhere they look, they see a roadblock.

Although the latest New York Times/CBS News Poll shows that a majority of Americans — 54 percent — think now that the whole matter should be dropped, few in Washington agree. On this broad question, there is a gap between the Beltway and the hinterland.

NEWS ANALYSIS

A surprising number of people serving in and strongly sympathetic toward the Clinton administration agree with a White House aide who said Tuesday, "The president won't get out of this without being punished, and in terms of clearing the political air, I'm not sure he should."

Many influential figures inside government, like Senator Orrin Hatch, Republican of Utah and chairman of the Senate Judiciary Committee, and Lloyd Cutler, a Democrat and a White House counsel for President Jimmy Carter, are looking for a middle way out, possibly through a censure motion.

But they and others are working separately, not in harness, and thus far no consensus has emerged.

Mr. Cutler, who took part in a strategy session with presidential aides at the White House on Tuesday, proposed this week that the president be censured for those things that he has admitted, such as conducting a sexual affair with Monica Lewinsky and trying

See OPTIONS, Page 6

Italians Can't Believe Ears: Movies Lose Their Voices

By Alessandra Stanley
New York Times Service

ROME — For the first time in Italian history, Reva, the heroine of "The Guiding Light," beat on the chest of her handsome shipwreck companion and raged this week in her native English. Tiny subtitles tried to keep up with the heaving dialogue, but most loyal television viewers were confused and outraged.

The broadcast of one of Italy's most beloved soap operas in its original soundtrack was the most startling sign to date of the havoc a two-month strike by dubbers has wreaked on the Italian television and movie industry. The strike also threatens to block the release of "Saving Private Ryan," Steven Spielberg's latest hit, as well as "Lethal Weapon 4" and more than a dozen other long-awaited movies.

Italians have long grown inured to strikes by train conductors, teachers and hospital workers, but the revolt of the hidden voices of cinema has caused a whole new level of panic.

For historic and cultural reasons, dubbing is a deeply entrenched tradition. Far more than their French or German counterparts, Italians prefer to watch Jim Carrey or Harrison Ford speaking Italian. If the strike continues, it will cost movie studios millions and millions of dollars. Television networks have even more money at risk.

For now, at least, the strikers appear unwilling to relent.

"The objective fact is that the work of dubbers has been horribly exploited," said Oreste Lionello, the suitably whiny Italian voice of Woody Allen. "They have kidnapped our vocal cords."

In the United States, where fewer than 2 percent of movies are in foreign languages, a dubbers' strike would go unnoticed. In Italy, where more than 75 percent of new releases are imports, the sudden silence has all but paralyzed the movie and TV industry.

The strike is a battle for a national contract, better wages and a share in royalties. It is also an effort to preserve the dignity of a profession that many view as a dying art.

There are now more than 80 dubbing companies in Italy, and at least 1,000 professional dubbers. Italian film awards like the Davide, the local Oscar, have long had a category for best dubber of the year.

Some of the best-known Italian dubbers are celebrities in their own right who can demand movie-star fees and celebrity endorsements.

Feruccio Amendola, who is the Italian voice of Robert De Niro, Sylvester Stallone and Dustin Hoffman, is also famous for his fabric-softener commercials.

"The Italian public is accustomed to hearing my voice," he said. "If they heard De Niro speaking, they wouldn't know what to think."

Mr. Amendola, who is observing the strike, was supposed to be busy this month directing the dubbing for a Michael Douglas movie, "A Perfect Murder," which is one of 15 major films whose release in Italy is now in question.

"We are talking about huge losses," said Richard Borg, head of the Rome office of United International Pictures, which has postponed its planned October release of "Saving Private Ryan" and three other films indefinitely. He said his company might

See DUB, Page 12

AGENDA

Baghdad Calls Halt To UN Cooperation

BAGHDAD (AFP) — The Iraqi leadership broke off all cooperation with UN arms inspectors Wednesday and called on the Security Council to cancel a resolution scrapping reviews of the eight-year-old sanctions against it.

The council voted Sept. 9 to cancel reviews scheduled every 60 days to determine whether Iraq no longer has weapons of mass destruction.

For McGwire, 63

Mark McGwire had not hit a home run in six games, ever since he passed Roger Maris to set the major league single-season record. Not to worry: As a pinch-hitter in the ninth inning on Tuesday, McGwire sent No. 63 out of Busch Stadium in St. Louis, breaking his tie with Sammy Sosa. Page 20.

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The IHT on-line www.iht.com

U.S. Air-Safety Sleuths Draw Imitators

By Don Phillips
Washington Post Service

HALIFAX, Nova Scotia — Over the last year or so, Gregory Feith has shuttled between faraway places like Guam, South Korea and the jungles of Indonesia, as well as a variety of American swamps, fields and forests. Most recently, Mr. Feith, a U.S. air-crash investigator, has traveled to Nova Scotia, where he is looking into the crash of Swissair Flight 111, which killed 229 people.

Such an itinerary is not unusual for the shock troops of the U.S. National Transportation Safety Board, who have spent years exporting the U.S. brand of safety investigation to the rest of the world.

In the three decades since the U.S. safety board was created, a number of other countries have begun to emulate its methods of monitoring transportation safety, from the air to railroads to highways to waterways to pipelines.

The board actively works to promote similar independent investigation boards in other countries, particularly under the current chairman, Jim Hall, partly because many air crashes involve American-made aircraft. Mr. Hall has appointed a veteran official of the board, Ronald Schleede, to head its international efforts.

Twelve of the independent republics of the old Soviet Union have formed the Interstate Aviation Committee with the help of the U.S. safety board. In 1994, the European Union passed a directive requiring member countries to investigate crashes through an independent agency. Singapore, South Korea, Taiwan, Argentina, Peru, Sweden, Holland and Portugal are among the countries that have recently either formed independent boards or have them under discussion.

Canada is a prime example of the success of this U.S. export. The Transportation Safety Board of Canada, created in 1990, was patterned after the U.S. safety board. Today, the Canadian board has developed an international reputation of its own, helping to negate

See SAFETY, Page 12

Miami Herald

Gregory Feith, left, examining the remains of ValuJet Flight 592 in 1996.

The Dollar

New York	Wednesday @ 4 P.M.	previous close
DM	1.6939	1.691
Yen	135.2	133.98
FF	5.8805	5.666
Pound (Dollars per pound)	1.6785	1.6765

The Dow

	Wednesday close	percent change
+ 65.39	8,089.78	+ 0.81%

S&P 500

+ 7.80	1,045.48	+ 0.75%

Nasdaq

+ 11.80	1,689.91	+ 0.70%

Newsstand Prices

Bahrain	1.000 BD	Malta	55 c
Cyprus	C £ 1.00	Nigeria	12600 Naira
Denmark	14.00 DKr	Oman	1.250 OR
Finland	12.00 FM	Qatar	10.00 QR
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10 SR
Egypt	£E 5.50	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kenya	K. SH. 160	U.S. Mil. (Eur.)	$ 1.20
Kuwait	700 Fils	Zimbabwe	Zim $40.00

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Oil Industry / *Texas-Sized Conference*

New Era of Cheap Crude Brings Unhappy Déjà Vu

By Allen R. Myerson
New York Times Service

HOUSTON — This city is throwing a party for more than 30 oil ministers and 8,000 other officials and executives from at least 82 countries this week. To make sure everyone attending the World Energy Council Congress feels sufficiently welcome, the city greeted them Saturday night with a light show featuring 2 million watts of spotlights, 14 powerful lasers and 12 tons of explosives, enough to make car alarms wail all over downtown.

Coming Thursday is what is being billed as the state's largest sit-down dinner ever, at the Astrodome, where normally 55,000 fans watch Major League Baseball games.

But not even the local brand of relentless hospitality can make up for oil prices that nobody here wants to celebrate. So the gathering this week of the most powerful figures in world energy has become only a brief break from a new and unexpected round of cutbacks and, in some cases, layoffs.

Just a year ago, executives griped about the bonuses they had to pay to hire and keep geophysicists. Now they wonder how to keep those geophysicists busy.

"Have you found anybody who is not cutting back?" asked Robert Mosbacher, a former commerce secretary. He recounted how the Houston company that bears his name had delayed planned drilling in Mississippi, Texas, Louisiana and several foreign nations.

Compared, of course, with the industry's roller-coaster ride through the 1970s and 1980s, the 1990s might seem more like swan boats. Still, companies that boasted last year of having the slimmed-down staffs and the new oil-finding technologies to weather low oil prices are saying that by "low" they never meant the current $14 a barrel.

"The industry is suffering from reverse sticker shock," said Daniel Yergin, the president of Cambridge Energy Research Associates and one of the meeting's featured speakers.

Scott Sheffield, the chief executive of Pioneer Natural Resources Co., for example, gathered employees Tuesday to urge them to cut every expense.

Pioneer completed about $5 billion worth of acquisitions last year, becoming one of the largest independent oil companies in the United States. It also contracted for drilling services at top dollar. This year, to help pay down $2 billion in assumed debt, Pioneer has had to dispose of about 10 percent of its properties. Exploration and production outlays have been cut to $450 million from $600 million this year and will drop to $300 million next year.

"We were flying high until oil prices cratered," said the public relations chief for Pioneer, Marsha Sheffield, before leaving to help her husband prepare his cost-cutting appeal.

THE MAJOR U.S. oil companies — with interests in refineries, gas stations and petrochemical plants — are more diversified and financially stronger, but not immune. Texaco Inc. has cut its $4.6 billion exploration and production budget by about 10 percent.

But the oil field services companies are fully exposed to the crisis. Nabors Industries Inc., the world's largest land driller, has cut nearly 3,000 workers across the oil patch from a peak of 13,000 last autumn. A year ago, Nabors had to ask customers seeking rigs and crews how long they could wait. Now the only question is, "How soon can we start?"

Among other oil field service companies, EVI Weatherford Inc. laid off 1,300 of its more than 11,000 employees this year, and Schlumberger Ltd. laid off 700 of its 9,200 domestic oil field service employees through July.

Houston, and Texas more generally, where technology has passed energy as the state's largest employer, are unlikely to feel nearly the pain of the 1980s. Then, entire office towers and subdivisions were left vacant as developers and homeowners walked away from properties and payments.

Last year, through July, oil and gas production gave the Houston region 3,800 new jobs. Through July this year, the industry lost 100 jobs. Overall, the continuing expansion in retailing and construction allowed the area to keep adding jobs at a strong pace.

But Robert Gilmer, a Houston-based Federal Reserve Board economist, said those sectors were coasting on the energy industry's past strength; he predicted a slowdown for the rest of the year. "We can't survive for long by taking in each other's laundry," he said.

The bane for Houston is a boon for the rest of the nation, as low energy prices help sustain strong economic growth with scant inflation. But oil-exporting nations like Russia and Mexico are being pinched.

The World Energy Council, representing the interests of energy producers across several industries, gathers in a different spot every three years. Breakfasts, lunches, receptions and dinners often combine deal-making and international diplomacy.

At a Monday breakfast, drilling company executives vied for the attention of the guest of honor, Luis Giusti, chief executive of Petroleos de Venezuela SA. Even Venezuela, having displaced Saudi Arabia as the United States' largest foreign source of oil, has cut its capital budget, mostly for exploration and production, to $4 billion from $6 billion.

"I think the $18 to $20 oil era is going to be replaced by the $14 to $16 era," Mr. Giusti said of barrel prices.

Experts attribute low prices to feuds among exporters and the near-evaporation of Asian demand. U.S. energy companies at least have the consolation of steady natural gas prices. But with huge volumes in storage, these companies are praying as fervently as ski resort operators for a frigid winter.

So far, the oilmen of Houston — and, in the 1990s, oilwomen — have remained optimistic enough to avoid serious cutbacks on life's necessities. But, chastened perhaps by past reversals, they have far fewer necessities than in the 1970s.

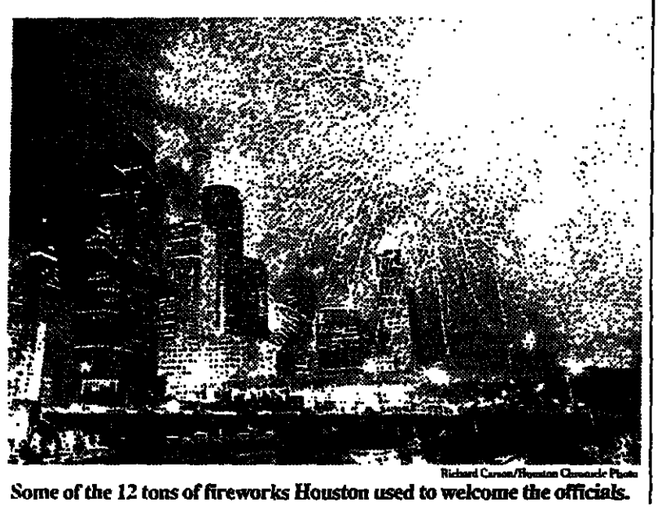
Back then, recalled Stephen Zimmerman, owner of La Colombe d'Or, a restaurant and hotel installed in an oil baron's mansion, oilmen would begin with Dom Perignon, move on to choice burgundies and first-growth bordeaux — "whatever they could pronounce" — and finish with $100 shots of century-old armagnac.

And that was for lunch.

Then came the 1980s crash. Mr. Zimmerman had a friend deliver an oil barrel, planted it in his entrance hall and pegged the price of lunch to the price of crude.

But even in the best of recent times, his biggest seller had been the house wine, and then only at dinner. "The newer guys never learned to entertain," he sniffed. "A lot of them think a Caesar salad and grilled chicken breast is a gourmet meal."

Mr. Zimmerman, for one, has made provisions in case a still lower oil price compels an even more modest style. Back in the garage sits the oil barrel, ready for its return.

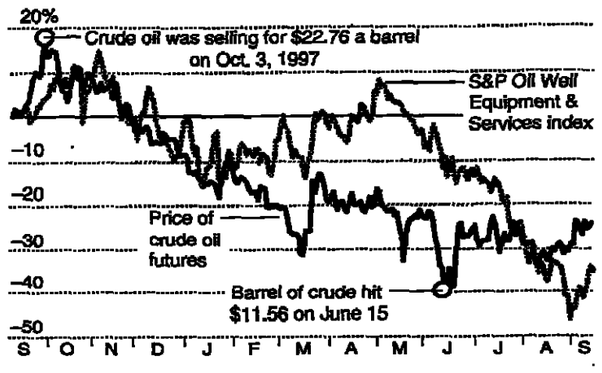


Richard Carson/Houston Chronicle Photo

Some of the 12 tons of fireworks Houston used to welcome the officials.

The Well Is Running Dry

A year is a long time in the oil business. The price of crude is off almost 25 percent from last September, while the Standard & Poor's index that measures the performance of companies serving the oil industry has fallen by 35 percent over the same period.



Source: Bloomberg Financial Markets

NYT

Iran Says It Wants Peace With Taleban

But Its Troops Stream to Afghan Border

By Douglas Jehl
New York Times Service

TEHRAN — Even as fresh contingents of Iranian troops headed for the Afghan border, some senior Iranian officials insisted Wednesday that the country had no appetite for conflict and wanted international help in resolving a conflict with Afghanistan's militant Taleban movement.

That diplomatic quest will be high on President Mohammed Khatemi's agenda when he travels to New York next week to speak to the United Nations General Assembly, the officials said in interviews here.

"We are in no rush to fight, and we are definitely not willing to start now," said Mohsen Aminzadeh, a deputy foreign minister who has been Iran's top diplomat handling the Afghanistan crisis.

The comments seemed intended to soften the belligerent tone of other recent Iranian pronouncements. Even though Iran has already massed tens of thousands of troops along the Afghan border and has threatened to launch a military attack, the officials insisted that their government was seeking a diplomatic solution to tensions inflamed over the killing by Taleban forces of at least eight Iranian diplomats.

"We are not in a position right now to invade Afghanistan," said Javad Larijani, director of the Parliament's foreign policy institute.

"But we are in a position to confront any troubles which might spill over our borders."

On Wednesday, the Iranian military announced that nine more Army divisions were heading for the country's eastern border and would be in place by Saturday to take part in previously announced military exercises there.

Together with army and Revolutionary Guards troops already there, military experts here said, that would amount to the deployment of more than 250,000 troops to the border with Afghanistan — half of Iran's total military force.

At the same time, the official Iranian news agency IRNA quoted the commander of the Revolutionary Guards, Major General Yahya Rahim Safavi, as having told his top subordinates that Iran's foes were trying to draw the country into war. General Safavi vowed that Iranian forces would "thwart all conspiracies in the offing."

Tensions between Iran and the Taleban, the militant Islamic movement that controls most of Afghanistan, have been increasing since the Taleban acknowledged that their soldiers had carried out the killing last month of at least eight Iranian diplomats and a journalist in the northern Afghan town of Mazar-i-Sharif.

But two other Iranian diplomats missing and feared dead since the Aug. 8 attack were reported Wednesday to have reached Iran safely. One, who had been in the Iranian consulate in the city when it was stormed by Taleban forces, said that everyone else in the compound had been executed and that he had been left for dead.

Taleban officials have promised to punish the soldiers who carried out the attack, who they said had acted without orders. But they have rebuffed an Iranian demand that those responsible be handed over to the Iranian authorities or to an international tribunal, and the top Taleban leader, Mullah Mohammed Omar, has refused another Iranian demand by refusing to issue a formal apology for the incident.

As each side vies to portray itself as the aggrieved party, the Taleban movement has asked the United Nations to establish a mediation process to defuse the tensions that both sides have warned could lead to a dangerous war. But Iran has insisted that the United Nations, whose Security Council has condemned in strong terms the killings of the diplomats, should not act as a neutral body but should intervene on its behalf.

In the interviews Wednesday, the Iranian officials said they believed an acceptable solution to the crisis could be found if the Taleban soldiers responsible for the killings were forced to face a United Nations tribunal, and if the United Nations took other unspecified steps intended to prevent the Taleban forces from carrying out what Iran has warned could be further atrocities.

Mr. Khatemi will almost certainly press that campaign during his visit to the United Nations next week, the Iranian officials said, on what will be his first trip to the United States. But because the government of Iran and the United States do not have diplomatic relations, Mr. Khatemi is not expected to meet with American officials.

Iranian officials have already vowed to exact a severe price for the diplomats' killings, and those who spoke in interviews Wednesday refused to say how long the Tehran government might wait before it concluded that diplomatic avenues had been exhausted. But they suggested that whatever military action Iran might now be considering against the Taleban would stop well short of an all-out invasion.

TRAVEL UPDATE

Parisian Statue at Risk

PARIS (AFP) — The archangel portrayed striking down a demon at Paris's landmark Saint-Michel fountain is losing the battle of time against pigeon droppings and harsh weather.

A decision on a 1.7-million-franc ($300,000) four-month restoration of the fountain facing the Seine in the Latin Quarter will be made later this month.

Officials said the mid-19th century fountain by Gabriel Davioud was cracked and covered by moss and droppings.

Three unions representing Air France pilots threatened Tuesday to strike Sept. 24 and 25 unless the company agreed by Friday to talks. *(AFP)*

Northwest Airlines resumed passenger service Wednesday, flying about 430 of its regular 1,700 scheduled flights. The airline, which is recovering from a pilots strike, plans to be at 100 percent service by Monday. *(AP)*

The second day of a strike by Israeli municipal workers forced pedestrians to pick paths around piles of trash and allowed drivers to park at will. *(Reuters)*

Travelers should take care while motoring in Mexico as roads and bridges remain washed out after extensive flooding in the states of Chiapas and Oaxaca, the State Department said. Parts of the Pan American highway were obstructed. *(AP)*

UN Study of Terror in Algeria Stirs Up a Storm

By Barbara Crossette
New York Times Service

UNITED NATIONS, New York — A panel of high political figures who recently visited Algeria to study extremist violence, which has killed tens of thousands of people, blamed terrorists for most of the deaths in a report made public Wednesday.

It added that the Algerian government merited the world's sympathy.

The results of the two-week study brought immediate criticism from human rights groups, although the report of the team, led by Marios Soares, a former president of Portugal, confronted government forces with allegations of "excesses" against civilians and said that the country's official human rights body had "no credibility."

Amnesty International called it a "whitewash" of Algerian government of human rights abuses.

The organization was critical of the small number of prisoners and dissidents the panel interviewed.

Members of the team, which was appointed by Secretary-General Kofi Annan, were not allowed to talk with leaders of the outlawed Islamic Salvation Front, which had become a major political force by 1990, or other controversial Algerians deemed to be security risks by the government.

The team apparently made no effort to meet members of the Front or its supporters abroad.

The team — with two former prime ministers, two cabinet-level officials and a former ambassador, Donald McHenry of the United States — was not able to interview the head of Algerian security forces, who was described as "out of town."

Requests to meet with members of Berber cultural organizations were rejected.

Most of the allegations against both sides in the Algerian conflict that the high-level team examined were well known before the group visited the country at the end of July and the beginning of August.

Algeria has been close to a state of armed chaos — and under emergency rule — since the military canceled elections in 1992 after it became apparent that Islamic parties, led by the Salvation Front, would win in a second round of voting.

Although Islamic radicals are widely blamed in Algeria for massacres as well as widespread intimidation and violence against women, the high-level team came away convinced that there was no political rationale for the terrorism.

This viewpoint is fostered by the government, which has sought to dissociate the terrorist attacks from the thwarted 1992 elections.

Testimony from women also indicated that Islamic conservatives who support the government have been allowed to prevent family laws from being reformed substantially.

Islamic fundamentalism is thus prevalent on both sides, human-rights groups say.

The Algerian president, Lamine Zeroual, announced recently that a presidential election would be held before next spring, but there is little likelihood that banned Islamic organizations will be able to take part.

At Human Rights Watch in Washington, Eric Goldstein, a Middle East expert, said that the study by the United Nations team should never have been considered an international human rights investigation, which Algeria has always barred. Mary Robinson, the United Nations high commissioner for human rights, was rebuked by Algeria when she suggested last year that the world should become involved.

"The report that this commission has just issued underscores the fact that they did not conduct a human rights investigation," Mr. Goldstein said.

In recent days, at least 40 people have been reported killed in Algeria in massacre-style attacks.

The high-level team was critical in its report of the lack of government transparency in dealing with cases of alleged abuse by government forces.

It said that the government needed a "change of mentality" in the courts as well as in the armed forces and the police. The team was told by Algerian citizens that "ill-treatment and torture" are frequent in police custody." Cases were cited of judges who turned a blind eye to torture, the report said.

The report also noted the controls and pressures the government applied to the press, and it raised questions with the Algerians about the possible dangerous effects of arming civilian communities for self-protection.

In addition to Mr. Soares, the team members were Inder Kumar Gujral and Abdel Karim Kabarati, former prime ministers of India and Jordan, respectively; Mr. McHenry, a former American representative at the United Nations; Simone Veil, former minister of state in France and president of the European Parliament, and Amos Wako, attorney general of Kenya.

Corrections

Because of an editing error, an article on Page 1 of Wednesday's editions reporting concerns of U.S. diplomats about President Bill Clinton's problems at home incorrectly attributed comments to Stephen Bosworth, the U.S. ambassador to Korea. He did not say that Mr. Clinton might face a special handicap in dealing with members of Congress, nor did he describe the handicap as one related to the president's clout with Congress.

An article in editions of Sept. 9 mischaracterized the holdings of Robert Bass, an American financier. Mr. Bass has no stake in Human Genome Sciences Inc., although some members of his family do. Also, Mr. Bass, not the Bass family, took part in a bid for credit Foncier de France SA.

WEATHER

Forecast for Friday through Sunday, as provided by AccuWeather.

North America Warm and humid with some sunshine in the Northeast Friday into Sunday. Thunderstorms over the northern Plains will slowly head southeastward, probably reaching Chicago Sunday. Another tropical disturbance in the Gulf of Mexico may affect the Gulf coast. Hot and dry in Southern California.

Europe Beautiful weather coming up for Paris and London Friday right through the weekend with sunshine and very mild afternoons. Sunny, dry and mild weather will be the rule this weekend over nearly all of central and northern Europe, but a front will cause thunderstorms in the southeast.

Asia Partly sunny and quite warm in Tokyo Friday to Sunday, but the southwestern end of Japan could have heavy rain as a tropical disturbance moves in from the south. Sunny and seasonably cool in Beijing Friday; dry and warm through the weekend. Drenching rain likely in southeastern China.

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Europe

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Algarve	28/84	18/66 s		28/84	20/68 s	
Amsterdam	15/59	9/48 sh		17/62	13/55 s	
Athens	24/75	7/44 pc		31/88	9/48 s	
Athens	26/79	17/62 s		26/79	17/62 pc	
Barcelona	26/71	15/59 pc		22/71	15/59 s	
Belgrade	22/71	13/55 r		18/61	9/48 r	
Berlin	13/55	11/52 r		15/59	9/48 c	
Brussels	14/57	9/48 sh		17/62	12/53 r	
Bucharest	24/75	10/50 pc		26/79	12/53 r	
Budapest	16/61	8/46 sh		17/62	8/46 c	
Copenhagen	14/57	11/52 c		17/62	11/52 c	
Costa Del Sol	28/82	18/64 s		28/82	20/68 pc	
Dublin	17/62	10/50 sh		20/68	14/57 pc	
Edinburgh	14/57	12/53 c		18/61	12/53 pc	
Florence	23/73	9/48 s		22/71	11/52 s	
Frankfurt	13/55	8/46 r		15/59	9/48 sh	
Geneva	13/55	7/44 sh		16/61	8/46 pc	
Helsinki	15/59	8/46 sh		17/62	7/44 c	
Istanbul	23/73	14/57 s		27/80	16/61 s	
Kiev	18/64	13/55 c		22/71	13/55 c	
Las Palmas	27/80	19/66 pc		24/75	21/70 s	
Lisbon	27/80	18/64 s		28/82	19/66 s	
London	18/64	13/55 pc		21/70	15/59 sh	
Madrid	30/86	13/55 s		31/88	15/59 pc	
Mallorca	28/79	14/57 pc		25/77	14/57 pc	
Milan	21/70	9/48 s		22/71	11/52 s	
Moscow	18/64	11/52 pc		19/66	12/53 c	
Munich	10/50	5/41 r		13/55	4/39 r	
Nice	22/71	13/55 s		22/71	15/59 s	
Oslo	17/62	8/46 sh		14/57	8/46 c	
Paris	14/57	9/48 c		17/62	11/52 c	
Prague	10/50	7/44 r		13/55	5/41 sh	
Reykjavik	6/43	5/41 pc		11/52	10/50 r	
Riga	14/57	11/52 r		16/61	9/48 c	
Rome	24/75	13/55 pc		23/73	12/53 s	
St. Petersburg	14/57	11/52 r		16/61	10/50 r	
Sofia	22/71	10/50 pc		20/68	6/43 sh	
Stockholm	14/57	10/50 sh		15/59	8/46 c	
Strasbourg	18/64	9/48 r		17/62	9/48 pc	
Tallinn	15/59	8/46 sh		16/61	8/46 c	
Tbilisi	29/84	17/62 s		32/89	19/66 s	
Venice	21/70	9/48 pc		21/70	11/52 pc	
Vienna	14/57	8/46 sh		16/61	7/44 sh	
Warsaw	13/55	7/44 sh		16/61	7/44 pc	
Zurich	13/55	7/44 r		15/59	6/46 c	

Middle East

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Abu Dhabi	42/107	28/79 s		42/107	28/79 s	
Beirut	27/80	19/66 pc		27/80	19/66 s	
Cairo	33/91	18/64 s		33/91	18/64 s	
Damascus	31/88	14/57 pc		33/91	12/53 s	
Jerusalem	29/84	14/57 s		27/80	14/57 s	
Luxor	40/104	20/68 s		40/104	21/70 s	
Riyadh	37/98	27/80 pc		39/102	28/79 pc	
Tehran	33/91	21/70 s		36/98	22/71 s	

Asia

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Almaty	27/80	12/53 s		31/88	14/57 s	
Bali	32/89	24/75 c		33/91	23/73 pc	
Bangkok	31/88	26/79 r		33/91	25/77 r	
Beijing	29/84	19/66 c		30/86	17/62 pc	
Bombay	31/88	24/75 pc		31/88	25/77 r	
Calcutta	34/93	26/82 s		33/91	27/80 pc	
Chiang Mai	32/89	23/73 r		31/88	23/73 sh	
Colombo	28/82	24/75 r		28/82	24/75 r	
Hanoi	33/91	27/80 pc		32/89	26/79 r	
Ho Chi Minh	32/89	25/77 sh		32/89	25/77 r	
Hong Kong	29/84	25/77 sh		28/82	24/75 r	
Islamabad	36/97	22/71 s		37/99	23/73 s	
Jakarta	33/91	25/77 t		32/89	25/77 r	
Karachi	37/98	29/82 s		38/100	28/84 st	
K. Lumpur	33/91	25/77 r		33/91	24/75 sh	
K. Kinabalu	31/88	25/77 r		31/88	24/75 r	
Manila	32/89	24/75 sh		32/89	25/77 sh	
New Delhi	34/93	27/80 pc		34/93	27/80 c	
Phnom Penh	32/89	25/77 r		31/88	25/75 r	
Pusan	31/88	20/68 r		32/89	25/77 s	
Rangoon	29/84	23/73 r		27/80	24/75 t	
Seoul	28/82	16/61 s		27/80	17/62 pc	
Shanghai	28/82	21/70 s		28/82	21/70 s	
Singapore	33/91	24/75 pc		31/88	23/73 r	
Taipei	28/82	21/70 s		28/82	21/70 s	
Tokyo	28/82	23/73 s		27/80	25/77 r	
Vientiane	31/88	23/73 sh		32/89	24/75 r	

Africa

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Algiers	28/82	14/57 s		28/82	16/61 s	
Cape Town	18/64	5/41 pc		19/66	11/52 s	
Casablanca	27/80	20/68 s		28/82	22/71 s	
Harare	23/73	11/52 s		24/75	11/52 pc	
Johannesburg	23/73	12/53 pc		27/80	12/53 s	
Lagos	29/84	24/75 s		29/84	24/75 r	
Nairobi	26/79	13/55 pc		27/80	12/53 c	
Tunis	29/84	17/62 pc		27/80	16/61 s	

Latin America

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Buenos Aires	18/64	8/46 c		14/57	6/43 pc	
Caracas	30/86	21/70 pc		29/84	22/71 pc	
Lima	23/73	17/62 s		22/71	17/62 s	
Mexico City	27/80	16/61 sh		20/68	14/57 c	
Rio de Janeiro	26/79	21/70 pc		28/82	21/70 sh	
Santiago	19/66	2/35 pc		17/62	4/39 s	

Oceania

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Auckland	18/64	10/50 pc		16/61	9/48 pc	
Sydney	21/70	12/53 s		22/73	14/57 s	

North America

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Anchorage	14/57	9/48 c		17/62	9/48 sh	
Atlanta	31/88	21/70 pc		29/84	22/71 t	
Boston	22/71	15/59 s		26/79	16/61 pc	
Chicago	26/79	17/62 pc		27/80	17/62 pc	
Dallas	30/86	21/70 c		32/89	21/70 t	
Denver	31/88	13/55 s		32/89	12/53 s	
Detroit	26/79	16/61 pc		27/80	16/61 pc	
Honolulu	30/86	22/71 pc		31/88	23/73 pc	
Houston	32/89	23/73 t		31/88	22/71 t	
Los Angeles	26/82	19/66 s		31/88	16/61 pc	
Miami	33/91	26/79 t		32/89	27/80 t	
Minneapolis	29/84	16/61 s		27/80	15/59 s	
Montreal	22/71	14/57 sh		24/75	14/57 pc	
Nassau	31/88	26/79 r		34/93	28/79 sh	
New York	26/79	17/62 pc		26/79	19/66 pc	
Orlando	32/89	25/77 t		33/91	25/77 t	
Phoenix	40/104	27/80 s		42/107	29/79 s	
San Fran.	21/70	13/55 c		21/70	13/55 s	
Seattle	22/71	12/53 c		19/66	11/52 sh	
Toronto	26/79	14/57 s		26/79	14/57 pc	
Vancouver	21/70	8/46 sh		16/61	8/46 sh	
Washington	29/84	18/64 sh		29/84	19/66 pc	

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, f-fog, W-Weather.

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THE AMERICAS

Schumer Will Challenge D'Amato in New York

Again a Loser, Ferraro Ends Her Political Career; Vallone Wins Right to Face Pataki

By Adam Nagourney
New York Times Service

NEW YORK — Representative Charles Schumer of Brooklyn, reaping the fruits of a decade of fund-raising and a campaign of ceaseless television advertising, has won the Democratic nomination to challenge Senator Alfonse D'Amato, overwhelming Geraldine Ferraro in her second attempt to return to public office in New York state.

Mr. Schumer easily defeated both Ms. Ferraro and the third major candidate, Mark Green, New York City public advocate, in a victory Tuesday that showed strength that crossed geographic, sex and ethnic lines.

Mr. Schumer's performance suggested that he had gone some distance in erasing doubts many Democrats once said they had about his viability as a challenger to the Republican, Mr. D'Amato.

The results also signaled an end to one of the most notable political careers of the last 20 years. Ms. Ferraro had characterized her second bid for the Senate as an attempt to gain a nomination that she believed was unfairly denied her in 1992 because of unfounded attacks on her ethics.

She was spared such attacks this time, but nonetheless posted a far worse showing than she did in 1992, when she lost by just 11,000 votes.

Ms. Ferraro, who came to national attention when she ran for vice president in 1984, promptly declared an end to her career in politics.

"Now, my campaign for United States Senate and for any future elective office ends," she said Tuesday night.

Democratic primary voters chose the New York City Council speaker, Peter Vallone, to challenge Governor George Pataki in a primary that turned out to be far less competitive than expected. Mr. Vallone easily defeated three candidates.

Mr. Schumer's victory came on a day of notably low voter turnout in New York state, reflecting an absence of interest in the contests. The turnout figures were being closely watched by Democratic leaders, concerned that President Bill Clinton's difficulties in Washington could depress interest among party members, and hurt Democratic efforts to defeat Mr. D'Amato and Mr. Pataki.

■ Humphrey Wins in Minnesota

Dirk Johnson of the New York Times reported from Minneapolis:

Hubert H. Humphrey III, who bears Minnesota's most revered political name, easily won the Democratic Farmer-Labor Party nomination for governor of Minnesota.

Mr. Humphrey, the son and namesake of the late vice president, senator and 1968 presidential nominee, has been the state's attorney general for the last 16 years. He will face the Republican nominee, Mayor Norm Coleman of St. Paul, who switched parties two years ago.

The Democratic also-rans included Ted Mondale, the son of former Vice President Walter Mondale; Mike Freeman, the son of former Governor Orville Freeman, and Mark Dayton, an heir to the Dayton Hudson department store conglomerate.

■ Washington Mayor Nominees

The Washington Post reported from Washington:

Anthony Williams, the former chief financial officer in Washington, won the Democratic primary for mayor, drawing votes from every corner of Washington and trouncing three City Council members.

Just three months after a citizens coalition persuaded him to quit his job and make a late entry into the mayor's race, the political novice garnered 50 percent of the vote in a field of seven, with his closest rival, Kevin Chavous, trailing by more than 15 percentage points.

In the Nov. 3 general election, Mr. Williams will face Carol Schwartz, the Republican primary winner, who is making her third bid for the mayor's office.

■ Massachusetts Governor Race

In Massachusetts, the Republican governor, Paul Cellucci, defeated Treasurer Joe Malone after a bitter primary campaign, The Associated Press reported.

Scott Harshbarger topped a three-way race that included state Senator Patricia McGovern to win the Democratic gubernatorial nomination.

Republicans settled a bitter Senate primary in Washington state, nominating the conservative U.S. representative, Linda Smith, over a moderate, Chris Bayley. She will challenge Senator Patty Murray.

With 41 percent of precincts reporting, Ms. Murray had more than 219,000 votes compared with 198,000 for the two Republicans combined.

Oklahoma Democrats decided not to make a dead woman their choice for U.S. Senate. Jacquelyn Ledgerwood, who died July 15, lost to an air conditioning repairman, Don Carroll, on a Democratic runoff ballot in Oklahoma. Mr. Carroll now faces Senator Don Nickles, considered a shoo-in for reelection.

Peter Morgan/Reuters

Charles Schumer, who overwhelmed Geraldine Ferraro in the Democratic primary in New York.

Away From Politics

• **Eight-year-old Seth Brown and his 5-year-old brother, Sam, of El Paso, Texas, said they returned the $23,399 they found in a shopping mall restroom because it was the right thing to do. The construction contractor who had left the bag behind personally thanked the brothers and gave them an undisclosed reward.** *(AP)*

• **The New York hospital system and Transit Authority have offered the parents of a Utah man who was slain in a 1990 subway robbery $300,000 to settle their $100 million wrongful-death suit, which says the transit agency failed to provide a safe subway.** *(AP)*

• **A 9-year-old in Los Angeles was charged with second-degree murder for the stabbing death of his 11-year-old brother during "horseplay." He is possibly the youngest person ever accused of murder in Los Angeles County.** *(AP)*

• **In a compromise with preservationists, a New York City committee approved a redesign of the art deco Rockefeller Center that includes an underground viewing area of the skating rink.** *(AP)*

POLITICAL NOTES

Clinton Videotape: Pictures at 11

WASHINGTON — If President Bill Clinton's videotaped testimony to the grand jury in the Monica Lewinsky investigation is made public, it could instantly transform television coverage of the case — and present the networks with a dilemma.

"It's an unprecedented side of the story," said Al Ortiz, executive producer of the "CBS Evening News." "It may show a dimension of the president that we heretofore haven't seen."

"It could be a defining moment," said Frank Sesno, CNN's Washington bureau chief. "People will be able to judge for themselves whether Ken Starr went too far in his questions or Bill Clinton misled or evaded too much in the answers he provided. The facial expressions, the words he uses, when he gets angry, that will convey a lot."

But the unprecedented opportunity to broadcast grand jury testimony — while Congress is considering an impeachment inquiry — is fraught with pitfalls for network executives.

"Most likely we'll watch it go by, decide what's newsworthy and play it to air on an urgent basis," Mr. Ortiz said. "I don't think we'd be going with it blindly, in part because of the taste issues that would arise."

Cable news networks, with 24 hours to fill, are most likely to carry significant parts of the testimony, which lasted four hours. "We'll air major portions of it," Mr. Sesno said. But he added that there might need to be some "filtering," depending on "the degree to which this gets into a level of explicit detail." *(WP)*

Jones Lawyers Want a Tape, Too

LITTLE ROCK, Arkansas — Lawyers for Paula Jones have appealed a judge's order denying her property rights to President Clinton's videotaped deposition in her dismissed sexual harassment case.

The appeal of Judge Susan Webber Wright's order was filed Tuesday. The deposition, taped Jan. 17 at the White House, was sealed by Judge Wright.

Ms. Jones should be free to do "whatever she wishes" with the videotape, said her lawyer, James Fisher. Asked later if Ms. Jones wanted to profit from the tape, he responded: "There are an awful lot of players in this story that have made a lot of money, and Paula Jones is not one of them."

Ms. Jones's team paid for the stenographer at the deposition and for the taping, he said.

Judge Wright dismissed Ms. Jones's lawsuit April 1, saying that the former Arkansas state employee could not support claims that Mr. Clinton propositioned her at a Little Rock hotel in 1991. Ms. Jones's lawyers appealed. *(AP)*

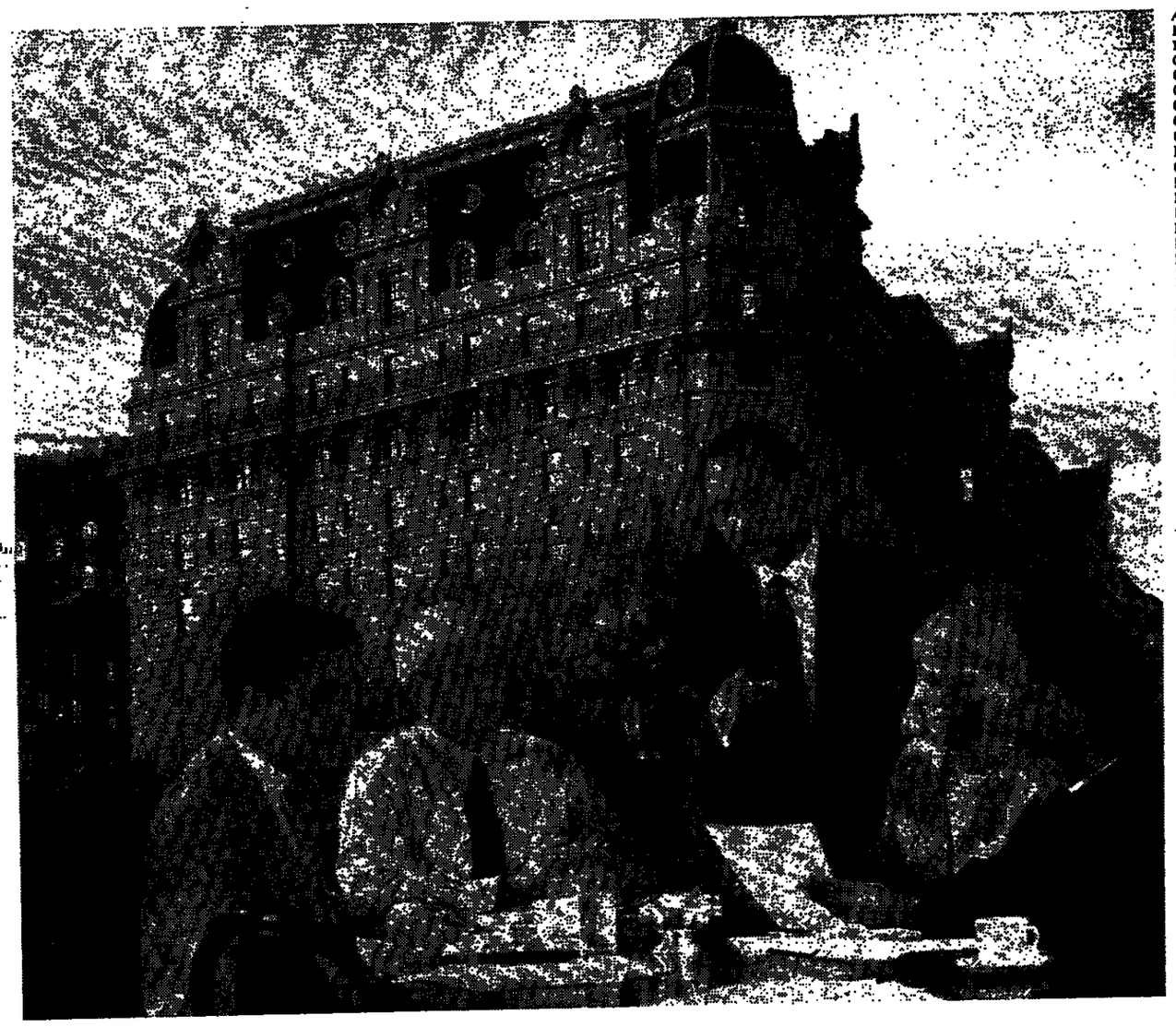
Mrs. Clinton to Work for Party

WASHINGTON — When Hillary Rodham Clinton met with two dozen Democratic female lawmakers at the White House, she assured them that she would use her popularity to get out the party's message and help Democrats get elected in November.

The House members sought out Mrs. Clinton on Tuesday amid concerns that the sex and perjury allegations against President Clinton were obscuring much of his party's agenda with elections seven weeks away.

"There was no discussion of the scandal," said Representative Zoe Lofgren of California. "There was a discussion about how do we get our message across, how do we accomplish this for the American people."

And there was no attempt to comfort Mrs. Clinton. "We wouldn't have patronized her by assuming that she was anything but what she appeared to be, which was ebullient and engaged," said Delegate Eleanor Holmes Norton of the District of Columbia. *(WP)*



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AL JUBAIL
AMMAN
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CAIRO
DUBAI
HURGHADA
JEDDAH
MADINAH
MAKKAH
MUSCAT
PETRA*
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EUROPE

Berisha Calls On Albanians To 'Overthrow Dictatorship'

Agence France-Presse

TIRANA — About 3,000 supporters of Sali Berisha, the former Albanian president, demonstrated again Wednesday in Tirana, the second day in succession, as Parliament considered stripping him of immunity in reaction to accusations that he was behind a coup attempt.

Mr. Berisha, for his part, seemed unperturbed, calling on his supporters to continue daily protests aimed at "overthrowing the dictatorship" of Prime Minister Fatos Nano.

"Those who have overthrown the dictatorship of Hoxha will overthrow the dictatorship of the terrorists," he said in Tirana, referring to Enver Hoxha, the Communist who ruled over Albania for decades.

"Those who think of the restoration of neo-communism are making a mistake," Mr. Berisha said, adding: "I will never leave my country."

He spoke as his supporters gathered in front of the Democratic Party headquarters, and then joined them for a march through the streets of central Tirana that passed without violence.

Police units were present but kept away from the protesters even though public demonstrations had been banned.

Mr. Berisha's wife was also among the marchers who chanted slogans, "Death to Fatos Nano!" "Death to communism!" and "Berisha for president!"

Mr. Berisha is accused by the authorities of stirring up unrest in the capital, which has left eight dead and 80 injured in three days, according to the Interior Ministry.

The rioting followed the murder on Saturday of Azem Hajdari, an opposition deputy and one of the founders of the Democratic Party.

An Interior Ministry spokesman, Artan Bizhga, said Wednesday that all the dead in the disorders were anti-government demonstrators or looters, with a single exception, a barman who was shot by unidentified gunmen in Ndrog, 15 kilometers (10 miles) south of Tirana.

The wounded included five soldiers, two members of the National Guard and four policemen.

An Albanian commission from Parliament, at the request of the state prosecutor, was to meet to decide whether to strip Mr. Berisha of his parliamentary immunity along with four other party officials, Assembly sources said.

Such a move would leave them subject to arrest.

Two-thirds of the deputies were expected to vote in favor of the measure. A Socialist deputy said, however, that an early decision was unlikely.

Late Tuesday, the Albanian cabinet announced it would prosecute Mr. Berisha for leading a conspiracy.

Mario Laporta/Reuters

Sali Berisha, the opposition leader, rallying supporters on Wednesday.

Setback for West in Bosnia Election

By Mike O'Connor
New York Times Service

SARAJEVO, Bosnia-Herzegovina — A key player in U.S. strategy in Bosnia, the Bosnian Serbs' leader, Biljana Plavsic, appears to have been voted out of office in weekend elections, according to officials monitoring the preliminary returns.

Mrs. Plavsic, president of the Serb Republic, has most likely been defeated by Nikola Poplasen, the officials say. Mr. Poplasen, the leader of the Serbian Radical Party, is considered an extreme nationalist.

"If Poplasen has won, it means the Bosnian Serbs are telling the West, 'We don't care about you or your money or you quaint ideas about reconciliation with Muslims and Croats,'" said a European diplomat.

He added that the election results, although still unofficial, appeared to be "staggering."

Results for the Bosnian Serbs' legislature indicate that moderates may be able hold their slight majority.

Officials said major races in the rest of the country were too close to call, except that the Muslim leader, Alija Izetbegovic, was certain to be returned to the three-person presidency.

The Western strategy of isolating nationalists and supporting moderate politicians was taken the furthest with Mrs. Plavsic.

Western leaders praised her extravagantly for more than a year and her part of Bosnia was plucked from economic chaos by Western aid in order to generate public support for her.

Mrs. Plavsic was identified early last year by American diplomats as a Bosnian Serb leader with nationalist credentials who could be persuaded that if she acted more moderately she and her people would benefit from Western aid and acceptance.

The gambit was to strengthen her and use her to break the control that hardcore nationalist politicians had over the half of Bosnia that, after the 1992-95 war, is almost exclusively Serbian and is called Republika Srpska.

It seemed to be working. Since last summer, Western leaders, including Secretary of State Madeleine Albright, visited Mrs. Plavsic.

For her part, Mrs. Plavsic won a majority in the Republika Srpska legislature and was able to gain control over most government ministries, all the time pleasing Western officials with her cooperation on many issues.

Gradually, the hostility between the Serbian half of the country and other half, governed by a Croat-Muslim coalition, lessened.

But the unofficial results of the election now coming out seem to show that Bosnian Serbs are still very fearful of Muslims and Croats, as well as mistrustful of the West.

A Western official in Republika Srpska said he expected most European countries would now begin to scale back or terminate aid projects there.

No Plan on Kosovo as Winter Nears

By Philip Shenon
New York Times Service

WASHINGTON — As evidence mounts that a "human catastrophe" is developing from the warfare in Kosovo, the United States is still far from a decision over the use of military force to end a Serbian offensive that has forced hundreds of thousands of people to flee, Clinton officials say.

The crisis in the province, whose ethnic Albanian majority is seeking independence, is likely to pose a test of President Bill Clinton's resolve and ability to take decisive action in foreign policy in the wake of the Monica Lewinsky scandal.

"The situation is awful and getting worse," said one official, speaking on condition of anonymity.

"If we don't want thousands of people to starve to death this winter, the White House will need to make a decision very quickly on whether to use firepower."

Charity groups say the situation is growing more desperate by the hour, with nearly continuous Serbian shelling of ethnic Albanian villages.

More than 900 people have been reported killed in the conflict this year, most of them Kosovo Albanian guerrillas and civilians.

Former Senator Bob Dole, the 1996 Republican nominee for president, described a "human catastrophe in the making" after a recent visit to Kosovo.

"I saw them up close and in person: women and children, the elderly living in fear without adequate food and shelter," he said. "These hungry masses will within weeks face winter and the freezing conditions that come with it."

Some Washington officials say they are pressing the White House to make a direct warning to Slobodan Milosevic, the president of Yugoslavia, which links Serbia and Montenegro, that the United States will use military force against Serbian targets if the onslaught is not halted.

Most likely, it is said, the attacks would be carried out by cruise missiles.

Similar strikes in 1995 were credited with helping end three years of civil war in neighboring Bosnia, forcing the combatants to the peace table.

Other Clinton aides are more cautious, fearing that military force by the United States and its reluctant NATO partners might only embolden Serbian forces into a more violent campaign.

At a meeting Tuesday with reporters in Washington, General John Jumper, commander of U.S. air forces in Europe, said the situation in Kosovo was in some ways more complex than the situation three years ago in Bosnia, and that air strikes in Kosovo might not have the same effect.

"The air campaign can be done," he said. "The air campaign is just like before. It's one that is easy to put together, and it's not difficult to execute."

But he added: "The solutions that we saw work before are not necessarily the solutions that the leadership thinks will work in this case."

Administration officials say they fear that air strikes might encourage the Kosovo Liberation Army, the name taken by the diverse groups of rebel movements seeking independence for the province.

This is not a goal supported by the United States and its allies.

"We don't want to be the Kosovars' air force," said a senior U.S. official. "It's not the same dynamic as in Bosnia, because we don't recognize Kosovo's independence. We recognize the Kosovo region as an important part of Serbia."

Administration officials involved in policy-making in the Balkans say they are working against a de facto deadline of mid-October in deciding what to do. That is when winter sets in among the mountains.

■ **Envoy Briefs NATO**

The U.S. special peace envoy for Kosovo, Christopher Hill, was briefing the Western allies at NATO headquarters on Wednesday, Reuters reported from Brussels. Strobe Talbott, deputy secretary of state, was at the session of the North Atlantic Council.

The French government disclosed that Foreign Minister Hubert Vedrine conferred by telephone with his British counterpart, Robin Cook, on a resolution to be submitted to the UN Security Council.

BRIEFLY

Britain Bars Yugoslav Airline

LONDON — Britain said Wednesday that it would immediately ban all flights by the national Yugoslav airline, JAT.

Britain had previously said it would take 12 months to implement a European Union ban agreed to last week. But Foreign Secretary Robin Cook said Wednesday he had concluded that an immediate ban was necessary, given the "continued repressive activities" of Yugoslav troops in the Serbian province of Kosovo.

Until Wednesday, Britain had said that a 1959 agreement with JAT took precedence over EU law and required London to give Belgrade 12 months' notice. But citing "moral and political grounds," Mr. Cook said Yugoslavia had forfeited the warning period. *(Reuters)*

Illegal Immigrants Targeted

BONN — Representatives of the 10 nations in Europe's passport-free zone agreed Wednesday to crack down on illegal immigration through improved cooperation and tighter security measures.

The executive committee of Schengen, the name for the border-free zone encompassing 10 of the 15 European Union countries, approved an action plan designed to tackle security issues at a two-day conference in Bonn.

The action plan includes proposals to intensify controls at external borders, increase checks at air and sea ports, the immediate deportation of illegal immigrants and the imposition of sanctions on travel companies that bring passengers into the Schengen zone without the correct papers. *(Reuters)*

Irish Terrorist Is Freed Early

BELFAST — The first imprisoned member of the Ulster Volunteer Force gained early release Wednesday under the terms of Northern Ireland's peace agreement.

The release of Simon Corry, a member of the Protestant group who had served 5½ years of a 12-year sentence for illegally possessing firearms, means all paramilitary groups who declared cease-fires before the accord have now had members freed early.

Mr. Corry was one of seven inmates released Wednesday from the top-security Maze prison southwest of Belfast.

Authorities began the early releases Friday, and up to 200 prisoners are expected to be let out by the end of the year. *(AP)*

France May Cut Judges' Power

PARIS — France's leftist government proposed on Wednesday to strip powerful investigating magistrates of one of their bluntest weapons, the right to put suspects in pretrial detention without charges.

The reform, strongly supported by President Jacques Chirac, a conservative, would also allow suspects to consult their lawyers as soon as they are taken in for questioning rather than having to wait 20 hours as is now the case.

Critics say French magistrates, whose powers cover those of both a prosecutor and a grand jury, frequently abuse pretrial detention to obtain confessions.

Investigating magistrates have denounced the reform, calling it an attempt to undercut them now that they have begun investigating political and financial scandals more aggressively. *(Reuters)*

Wife of Le Pen May Run

PARIS — The wife of the far-right political leader Jean-Marie Le Pen says she will take her husband's place in next year's European Parliament elections if a court upholds a two-year ban on his running for office — punishment for attacking a Socialist politician.

Jany Le Pen, in an interview published Wednesday by the newspaper Le Parisien, insisted she is not a political woman.

But that her husband would need a "standard-bearer" if barred from running.

A Versailles court has convicted Mr. Le Pen for physically attacking Annette Peulvast-Bergeal on May 30, 1997, in the working class town of Mantes-La-Jolie, west of Paris, where she was campaigning for a seat in the French National Assembly. Mr. Le Pen was there lending his daughter, Marie-Caroline, support in her bid for a seat. *(AP)*

Brussels Derails Milan Airport Plan

By Barry James
International Herald Tribune

BRUSSELS — The European Commission on Wednesday derailed Italy's plans to open the newly enlarged Malpensa airport as a major hub for northern Italy, ruling that an attempt to shift foreign carriers to the new facilities was illegal under European Union law. Nine EU airlines protested Italy's plans to move them from Linate airport on the edge of Milan to Malpensa next month while allowing the state carrier, Alitalia, to continue using Linate to feed its intercontinental hub at Leonardo da Vinci International Airport in Rome.

Malpensa is 53 kilometers (33 miles) from Milan, and it would be unfair to force the foreign carriers to move there before adequate road and rail links have been built, the commission said. Under the EU's single market regulations, governments are prohibited from discriminating in favor of national companies.

In upholding their complaint, the commission ruling gave the airlines a legal basis to defy the Italian decree, commission sources said.

Claudio Burlando, the Italian transportation minister, said that by insisting that the European airlines have an equal opportunity to serve their hubs from Linate, the commission would make it impossible for Malpensa to fulfill its role as a regional hub.

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On 1st January, 1999 the EURO will be adopted as legal tender of the initial members of the European Monetary Union (EMU). Therefore, the board of directors of Fidelity Funds has decided the following changes to the above funds:

Fidelity Funds - European Balanced Fund (DM)

1. The name of Fidelity Funds - European Balanced Fund will be changed into Fidelity Funds - Euro Balanced Fund on 18th September 1998.
2. The investment objective of the balanced funds in general and of Fidelity Funds - Euro Balanced Fund in particular have been restated as follows:

Balanced funds are the most conservative form of growth investment and invest in a diversified portfolio of equities, bonds and ancillary cash. Balanced funds aim to.

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Fidelity Funds - European Bond Fund (ECU)

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Fidelity Funds - Fidelity Gestion Dynamique (FRF)

The investment objective will be amended so as to reflect that the aim of Fidelity Gestion Dynamique is to provide long-term capital growth primarily through investment in equities. The fund will suit those investors who are looking for the longer term rewards of equity investment and are prepared to accept the higher risk associated with this type of investment.

Fidelity Funds - Fidelity Gestion Equilibre (FRF)

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THE AMERICAS

How Smart Are the White House Lawyers? The Jury Is Still Out

By Ruth Marcus
Washington Post Service

WASHINGTON — The last four years have cost President Bill Clinton more than $5 million in legal bills. The House is about to launch impeachment proceedings against him. The independent counsel, Kenneth Starr, has not ruled out the notion of a criminal prosecution.

And Mr. Clinton's lawyers — who fanned out on a four-network offensive during the Sunday television talk shows — have themselves become the focus of attack from furious congressional Democrats who are demanding an end to legal "hairsplitting."

All of which raises the question: How much of the blame for their client's predicament rests with the president's lawyers — in particular, his chief outside counsel, David Kendall?

Mr. Kendall is the leading proponent of the "give-no-inch, Clinton's testimony was 'legally accurate' " approach that has provoked so much anger since the Starr report was made public last week.

A former White House special counsel, Jane Sherburne, said the president's predicament reflectedMr. Kendall's criminal-lawyer approach. "David is representing the personal interests of Bill Clinton, and those interests are different than the interests of the president of the United States or of the country," she said. "He's always needed a political person who can help temper his defensive instincts."

Second-guessing the strategic choices made by attorneys and their clients behind closed doors is a popular sport among Washington criminal defense lawyers, and some of the city's leading practitioners are busily engaged in that activity.

They fault Mr. Kendall for not having his client come forward with the truth earlier, for letting him testify before the grand jury, for allowing him to dig himself into even deeper legal trouble with his grand jury answers, for inflaming Mr. Starr with repeated attacks and for pursuing a legalistic argument — that receiving oral sex did not constitute a sexual relationship — that found few takers.

Although there has been tension between Mr. Clinton's legal and political teams, one of the president's political advisers came to Mr. Kendall's defense.

"David Kendall's the best I've ever seen," said the adviser, James Carville. "I think he's done a hell of a job. You have a bunch of K Street jerks second-guessing someone they don't know very much about and they have the added benefit of knowing that Mr. Kendall will never reveal what he knows."

Although Mr. Clinton faces the threat of criminal prosecution, his larger and more immediate problem is the looming impeachment proceedings, and Mr. Kendall's approach may have inflamed rather than calmed lawmakers, several lawyers said.

"It's this parsing that is like fingernails on a chalkboard — don't do it," Ms. Sherburne said. "I don't understand a legal strategy that doesn't appreciate that."

Even if Mr. Clinton would expose himself to some risk by dropping his legalistic approach, one lawyer said, "At some point, the lawyer has to help the guy look at the bigger picture, and Clinton's bigger picture is that he needs to save himself politically before he can save himself from the threat of prosecution."

At the same time, lawyers said, the continuing assault on Mr. Starr's office may not help the president's legal position.

"What the hell do you gain by attacking those people?" asked a defense lawyer involved in the Lewinsky investigation. "They're the ones who've got the power."

Indeed, just about the only one not participating in the second-guessing was Mr. Kendall himself. "Thank you for calling, but there's really nothing I can say," he said.

Some cautioned against assigning fault to the lawyers. They noted that it was impossible to know whether Mr. Clinton had heeded their advice and, in fact, on one of the main areas of criticism — allowing Mr. Clinton to go to the grand jury — sources familiar with the decision said Mr. Kendall strenuously argued against taking that risk, only to be overruled by his client.

The sources said that legal advice could only be as good as the information on which it is based and that it was clear the president had been misleading and dishonest with his lawyers as well as with other aides.

And they said that the president was a uniquely difficult client to advise, particularly as he tries to navigate the narrow path between avoiding criminal prosecution and convincing Congress not to remove him.

"Whenever something goes wrong, it's a lot easier to blame the lawyers," said Lawrence Barcella, a Washington lawyer.

"And sometimes good lawyers will take the blame even where blame is not warranted," he added. "One of the things you can do for a client is fall on your sword."

A New York lawyer, Bruce Yannett, added: "It's very easy to Monday-morning quarterback. It may well be that if Congress decides not to impeach the president and he's never criminally prosecuted, that the strategy is brilliant, and the fact that some members of Congress are being critical is meaningless if at the end of the day, the president navigates his way through the dilemma he's facing."

Censure but Don't Impeach, Poll Says

Americans Perceive Clinton as Morally Weak but Effective in Job

By Richard L. Berke and Janet Elder
New York Times Service

NEW YORK — Public opinion of President Bill Clinton's moral character has sunk to the lowest level of his presidency, but most Americans say they still believe that he is a vigorous leader who should not be impeached or forced to resign, the latest New York Times/CBS News Poll shows.

Slowly but steadily, public perception of Mr. Clinton's personal image has slipped since January, when Americans first learned of his relationship with a former White House intern. Over time, the cumulative shift has been sharp.

In itself, the report released last week by Kenneth Starr, the Whitewater independent counsel, seemed to have little additional impact on these attitudes. Americans said that they dislike Mr. Starr and suspect his motives. While only one in 20 respondents said they had read the full report and about half had read part of it, most people said the graphic sexual details were unnecessarily salacious and intended to embarrass the president.

And despite the glare of publicity about his affair, Mr. Clinton's job approval rating stands at 62 percent, which is impressive by any reckoning.

Still, by several measures, the survey showed that most people now see Mr. Clinton as bereft of the code of ethics that they try to live by.

Sixty-six percent of Americans said Mr. Clinton did not share their moral values, while 29 percent said he did.

In January the public was divided on Mr. Clinton's morals, and after his reelection two years ago, a majority perceived Mr. Clinton as someone who did share their ethical standards. And for the first time since Democrats lost the House in 1994 — and only the second time in Mr. Clinton's six years in office — more Americans viewed the president unfavorably than favorably.

While people say they want to put the scandal behind them, they also want Mr. Clinton to be reprimanded for his conduct — but not impeached or forced from office. Fifty-seven percent of those polled said Congress should vote to censure the president; 33 percent were opposed to censure.

More than six of 10 Americans said they thought the best thing for the country was for Mr. Clinton to finish his term. In answer to another question, 58 percent said it was not necessary for Congress to hold impeachment hearings at all.

The public's view of Mr. Clinton as a person has diminished about equally among all groups, rich and poor, urban and rural, young and old, male and female. For example, the perception that Mr. Clinton shares the moral values of most Americans has dropped by 10 percentage points among men and by 14 percentage points among women — not much of a gap.

The poll of 1,813 adults, conducted nationwide Saturday through Monday, also found that the public blamed Mr. Clinton and not his enemies for the crisis, a change from a few months ago.

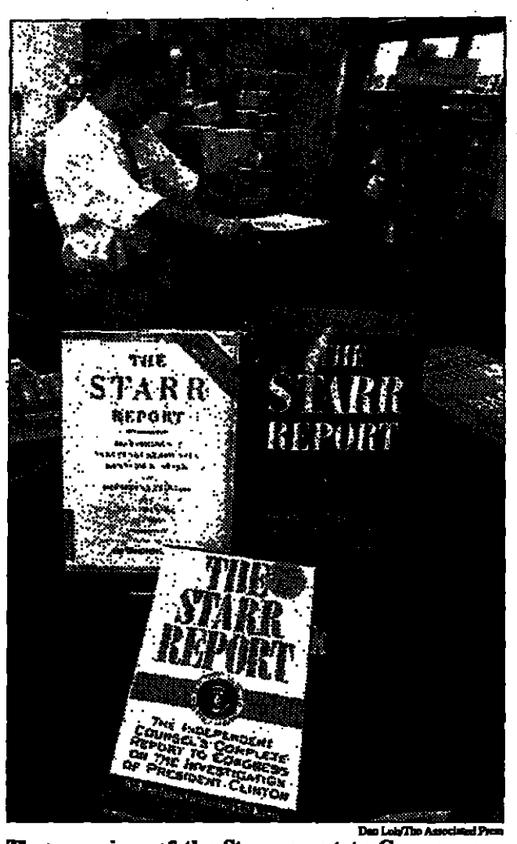
Fifty-four percent blamed Mr. Clinton and 36 percent blamed his enemies — figures that have roughly reversed since February. More and more, people have come to believe that Mr. Clinton probably did encourage Monica Lewinsky to lie under oath.

In the latest survey, 46 percent said he did encourage her to lie, 18 percent said he did not and 32 percent said they did not know. When respondents were pressed, the numbers were even more stark; 61 percent said Mr. Clinton encouraged Ms. Lewinsky to lie. The poll has a margin of sampling error of plus or minus 2percentage points.

Yet, even against these harsh judgments, Mr. Clinton is protected by an important bulwark that has confounded the pundits — as well as Republican detractors — since the scandal broke: The measure of Clinton not as a man but as a president continues to be strikingly strong. He is seen as an effective leader by 66 percent of those polled.

And Mr. Clinton's job approval rating stands at 62 percent. Earlier this month it was 60 percent, and last month, immediately after he told the nation he had had an inappropriate relationship with Ms. Lewinsky, it was 65 percent.

When the scandal broke in January, Mr. Clinton's job approval rating was 56 percent.



Dan Loh/The Associated Press

Three versions of the Starr report to Congress enjoying prominent display at a Washington bookstore.

OPTIONS: *None Works Yet*

Continued from Page 1

to conceal it, in the hope that impeachment proceedings, as he put it, "would wither away over a period of weeks."

He suggested that a long, drawn-out fight, which he said would paralyze the government for months, might be avoided by following the precedent set in the reprimand issued to Newt Gingrich, the House speaker, after a 1997 ethics investigation.

Mr. Cutler called the parallels between the cases "close and recent," but others disagree, and more might do so if perjury is demonstrated.

The Senate majority leader, Trent Lott, Republican of Mississippi, has said that he opposes a reprimand or censure, at least for now, and other important members of Congress, speaking on grounds of anonymity, said they doubted whether that would be sufficient punishment.

What about censure plus a financial penalty? A former attorney general suggested to a group of associates this week that perhaps Mr. Clinton could be forced to pay for the cost of the long inquiry by the independent counsel Kenneth Starr as Representative Gingrich was obliged to pay for the House investigation of his actions.

But most of them, elders all, said that would be either insufficient or inappropriate or both.

Whatever the censure formula, it is hard to believe that it could be sold soon to a Congress already deeply divided along partisan lines. At a minimum, it appears likely that the House will insist on authorizing a preliminary inquiry by the Judiciary Committee into impeachment before Congress takes a break for the elections in November.

Few House members of either party would be eager, as things now stand, to go on the record with the election imminent as opposing a careful examination of Mr. Starr's charges and the White House replies.

Once that has begun, many people who lived through Watergate believe, it will not be easy to stop it unless the president can demolish Mr. Starr's charges — demolish them in political as well as legal terms, without relying heavily on what senators of both parties have denounced as ludicrous, "hair-splitting" technicalities.

"The key thing," a cabinet member said recently, "is to keep the first gavel from falling. After that happens, you'll never stop it."

Ultimately, it would appear, much will depend on whether the president committed perjury in his testimony to Mr. Starr's grand jury or not.

The Starr report says he did; the president and his defenders have taken refuge in the spongy recesses of legal language, arguing that he did not so much lie as mislead or fail to provide a complete account of events.

"If he committed perjury, and Starr demonstrates convincingly that he did, he will have a hard time surviving," a former White House official said.

"He's not only an officer of the court as a lawyer, he's the nation's chief law enforcement officer, and you can't let a man in that position lie with impunity to a grand jury. If he can do it, why can't the little guy do it?"

On this narrower but potentially decisive issue, the American people seem much closer to Washington. Notwithstanding their approval of Mr. Clinton's performance as president, notwithstanding their preference for dropping the whole matter, they take a harsh view of lying under oath.

A significant number of members of Congress appear unwilling even to contemplate settling for censure or some other solution short of impeachment until it is clear whether the president actually perjured himself.

But because the president has not been indicted for perjury, and probably will not be, the only vehicle that exists for determining whether he committed that felony is the impeachment process. That is one of the most formidable obstacles facing the advocates of compromise at this stage.

The expectation is that Congress will return to Washington after the election for a lame-duck session that would permit the Judiciary Committee to make its formal recommendation to the House as a whole before Christmas. After that has happened, the moment might be more ripe for negotiations about a censure resolution.

CLINTON: *Vow to 'Do My Job'*

Continued from Page 1

Meanwhile, the first blatantly partisan confrontation over the handling of evidence included with the report by Mr. Starr took shape Wednesday as Republicans insisted on the quick release of Mr. Clinton's videotaped testimony before a federal grand jury.

Democrats said they would vote unanimously against release.

Representative James McDermott, Democrat of Washington, said Wednesday that his party would vote unanimously against release of the tape. He accused Republicans of "overreaching," adding, "They are simply not giving the president fair treatment."

In the days since the release of the Starr report, the presumption has steadily grown that the House Judiciary Committee will call for impeachment hearings.

At the same time, prospects for what some Democrats call a "third option" — a vote of censure, rather than impeachment or resignation — appear to have dwindled.

The committee is expected to hold meetings as early as next month on whether to open an impeachment inquiry, Representative James Rogan, Republican of California, said.

Meanwhile, attention quickly has focused on release of the tape, which could come Friday, after a vote by the Republican-dominated committee on Thursday.

Sources familiar with Mr. Clinton's testimony have said it includes several angry eruptions and moments of uncertainty and evasiveness. A Republican congressional aide told The Washington Post that the tape's release would be "devastating" for the president.

House Republicans expressed support for making public much of the Starr documentation, some of it salacious in its descriptions of Mr. Clinton's relationship with Monica Lewinsky, the former White House worker.

Republicans at a closed-door party caucus burst into applause after the House speaker, Representative Newt Gingrich of Georgia, rejected a suggestion that enough sexually explicit material had been made public. He said instead that the House would observe a resolution approved last week and make most of the material public, a House staff member at the meeting told The Associated Press.

Republicans on the Judiciary Committee have insisted that they were justified in making the tape public, not just a transcript.

Representative Tom DeLay of Texas, the Republican whip, insisted that the public wanted an unexpurgated version of the facts.

"The American people are tired of having their news and information filtered," he said.

Democratic members of the committee continued to complain about Republican intentions to make evidence public in a piecemeal fashion.

"Why are we doing it bit by bit?" asked Representative Robert Wexler, Democrat of Florida. The Republicans' intention, he said, was to see Mr. Clinton "bleed a little bit on Thursday, bleed a little bit on Saturday, bleed a little bit on Monday."

POWER: *Suddenly, the World Lacks a Leader*

Continued from Page 1

hostilities, and U.S. pressure may be the only factor capable of getting them off their collision course.

Dwarfing all else is the question of Russia itself, a virtual economic ruin with 30,000 nuclear warheads — and the prospect of less accommodating leadership in Moscow.

With so many questions on the boil, the main historical comparison is oddly unreassuring. When President Richard Nixon was ousted from office in 1974, the outside world weathered the process, including a nuclear alert between the United States and the Soviet Union.

Nowadays, threats have become smaller but more numerous and much more unpredictable. Paradoxical as it may sound, that trend seems to have made Washington more needed as the source of international leadership in the post-cold war era.

Secretary of State Madeleine Albright once described the United States as "the indispensable country."

In other words, even though Washington has followed other capitals in giving higher priority to domestic agendas, the United States retains the capability to launch international initiatives and push them through.

After listening to reports from foreign capitals, a State Department official said that "politicians and public opinion in other countries recognize that the United States is the only country that can maintain a significant degree of global stability and organization and tackle big international problems."

A European ambassador at NATO added: "Europe has become very good at paying the costs of easing problems with humanitarian relief and civil reconstruction, but it lacks governments or leaders capable of stepping up to the challenge of actually managing a crisis."

Even France, usually prompt to relish signs of U.S. weakness, seems uncomfortable with Mr. Clinton's predicament. "French officials who publicly would never say so readily admit privately that France does depend on the seriousness of Washington about international affairs," a French government adviser said.

The Clinton administration's major accomplishment in foreign policy — NATO enlargement — seems to be steadying Europe. A former Clinton administration ambassador said, "The new NATO posture can be credited with calming nerves in central Europe and preventing the anxieties in Germany and elsewhere that otherwise would arise with Russia's current problems."

Yet Mrs. Albright has seemed unable to transform her verbal forcefulness, so conspicuous when she was ambassador to the United Nations, into consistent, potent policy. Disappointment among allied governments crystallized last month when she was forced to disclose that the Clinton administration had secretly adopted a softer approach to Iraq.

Already, presidential weakness has shifted the balance toward Congress in foreign policy — another source of concern outside the United States. No longer influenced by an internationalist caucus of the sort that existed during the Cold War, Congress has alarmed other capitals by attacking the International Monetary Fund and frequently seeking to impose sanctions, even on U.S. allies.

The very bleakness of this outlook has prompted some to think that the United States will be forced to become more assertive, almost as an antidote to presidential weakness.

Views that Mr. Clinton is "on an ugly, drip system of political life-support coexist with an expectation among many leaders that the United States will look around for ways in which it can reassert itself," according to Mr. Eyal, the British analyst.

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Sumatra Mobs Burn Homes And Shops of Ethnic Chinese

The Associated Press

JAKARTA — Rioting mobs burned hundreds of shops and houses owned by ethnic Chinese merchants in a fishing town on Sumatra in new rioting provoked by Indonesia's economic crisis.

Thousands of people took part in the rampage that began Tuesday evening and ended early Wednesday in Bagansiapiapi, about 700 miles (1,100 kilometers) northwest of the capital, Jakarta, the police said.

Some of the rioters ignited plastic bags filled with gasoline and hurled them onto the roofs of buildings, setting ablaze two hotels and about 300 houses and shops, according to police and the official Antara press agency. There were no reports of injuries.

Residents said the mobs gathered in the streets amid rumors that a local man had been killed in a fight with an ethnic Chinese man, Antara reported.

Ethnic Chinese make up only a small fraction of Indonesia's population and have been targeted in riots as scapegoats for Indonesia's economic problems, the worst in 30 years.

A police officer in a neighboring town said hundreds of soldiers and policemen were deployed from nearby towns to quell the violence. He said dozens of people were arrested.

In Jakarta, meanwhile, security forces Wednesday blocked about 200 protesters — students, workers and opposition supporters — who tried to march to the office of the military commander in central Jakarta.

The group was protesting the military's involvement in the abduction of anti-government activists up until the May resignation of former President Suharto.

In another development Wednesday, news reports said the billionaire second son of the former president had been banned from leaving Indonesia as investigators prepared to question him over the collapse of a bank partly owned by him.

Justice Minister Muladi was quoted by local newspapers as saying that Bambang Trihatmodjo and other commissioners of the failed Bank Andromeda had been prohibited from traveling overseas while the investigation continued.

Mr. Bambang was to have been interrogated Wednesday, but the police postponed the questioning because they were still focusing their investigation on two other directors of the bank.

Separately, Indonesia's attorney general said he and the national police chief would be part of a three-member team that would soon question Mr. Suharto about claims that he corruptly amassed a fortune during his 32 years in power and stashed millions of dollars abroad.

President B. J. Habibie has ordered that Mr. Suharto be questioned over allegations that he, his family and associates illegally enriched themselves.

Reuters Sabhlok/Reuters

Lee Kuan Yew speaking at a news conference in Singapore during the launching of his memoirs.

Lee Kuan Yew's Controversial Memoirs

Singapore's Senior Minister Angers Malaysians With First of 2 Volumes

By Michael Richardson
International Herald Tribune

SINGAPORE — Lee Kuan Yew, Singapore's senior minister, marked his 75th birthday on Wednesday with the launch of memoirs that have caused fresh tension in relations with Malaysia even before they appeared on sale in bookstores.

The most politically sensitive part of his book, the first of two planned volumes, deals with events surrounding Singapore's stormy and ultimately abortive merger in the Malaysian federation from 1963 to 1965.

Mr. Lee accuses Malaysia's dominant party — the United Malays National Organization, known by its initials as UMNO — of instigating bloody riots between ethnic Chinese and Malays in Singapore in 1964 as he worked to strengthen an opposition movement in Malaysia that aimed to end Malay dominance of politics by creating a multiracial party of Malays, Chinese, Indians and other groups.

"Resisting Malay hegemony," he wrote, was "the root cause of our dispute."

Malaysian politicians have already voiced strong objections to the book, complaining of its "insensitive" approach and the timing of its release during a period of economic and political turmoil in Malaysia.

After excerpts on the merger period were published in the Singapore press on Sunday, Prime Minister Mahathir bin Mohamad, who heads UMNO, said that Mr. Lee was publishing his memoirs now to exploit Malaysia's difficulties.

Singapore had prospered by "taking advantage of the weaknesses of its neighbors," Mr. Mahathir said, adding that by raising racial issues during merger Singapore contributed to conditions that led to race riots in Malaysia in 1969.

Three-quarters of Singapore's population is of Chinese descent, while in Malaysia Malays and other indigenous groups constitute a little over half the population.

Singapore was expelled from Malaysia in 1965 and relations since then have frequently been marred by friction, jealousy and mutual suspicions.

Mr. Lee has denied trying to take advantage of Malaysia's difficulties. He said Tuesday ahead of the book's publication that he started writing it in 1995 and settled on the timing of the launching last year.

In a preface to the 680-page volume, he said that he had decided to write his memoirs because he was troubled by the apparent overconfidence of a generation of young Singaporeans that had only known stability, growth and prosperity.

"I thought our people should understand how vulnerable Singapore was and is, the dangers that beset us, and how we nearly did not make it," he wrote. "Most of all, I hope that they will know that honest and effective government, public order and personal security, economic and social progress did not come about as the natural course of events."

His memoirs have drawn praise from a number of prominent international political leaders, past and present, who have written comments for the book. Most are from Western countries.

Chancellor Helmut Kohl of Germany wrote, for example, that Mr. Lee's "resoluteness, energy and vision have left a deep impression on Singapore, making it a political and economic powerhouse whose influence extends far beyond its own region." But analysts said Wednesday that by underlining the deep differences between Singapore and Malaysia, Mr. Lee's memoirs were likely to prolong divisions rather than bridge them.

Mr. Lee said Tuesday that unlike Singapore, Malaysia was organized along racial lines, with the United Malays National Organization in control of the Malay political constituency while other parties were not allowed to encroach on that base.

"It's a fault line that is not being closed," he added.

He insisted Tuesday that his account of UMNO involvement in the 1964 race riots in Singapore and the subsequent eviction of the island-state from Malaysia was confirmed by reports quoted in the book from U.S., British, Australian and New Zealand diplomats who were stationed in the region at the time.

But Hishammuddin Hussein, deputy chief of the party's youth wing and son of a former Malaysian prime minister, said that Mr. Lee's book was selective in its use of sources, deeply biased and a work of self-aggrandizement.

"At this juncture, it is crucial for both countries to turn aside from history and look to the future" by "stressing our mutual strengths and our underlying similarities," Mr. Hishammuddin added.

Tests Were Exaggerated By India and Pakistan

Seismic Data Undercut Number and Size

By Robert Lee Hotz
Los Angeles Times Service

LOS ANGELES — India and Pakistan exaggerated the number and size of the nuclear weapons that each nation detonated earlier this year, overstating the power of the bombs by a factor of four, according to the first independent scientific accounting of the tests.

Two of the five nuclear explosions announced by the Indian government may never have taken place, the analysis concluded in a study made public on Wednesday.

Only two in the series of nuclear tests that the Pakistan government announced actually involved real nuclear explosions, according to the study. At different times Pakistani officials have claimed that up to seven devices were tested.

"This is quite clearly a case where governments tested for a political reason rather than scientific reasons, so we have to be suspicious of what they say," said Terry Wallace, an authority at the University of Arizona on the use of seismology to analyze nuclear explosions.

His research, published in Wednesday's issue of Seismological Research Letters, is based on a study of the seismic shockwaves released by the nuclear explosions.

He concludes that both governments misled each other — and the international community — about the nuclear tests conducted last spring.

"Seismology provided a microscope into what happened, and we were able to learn a lot about these explosions," Mr. Wallace said.

"It has given us a reality check on government pronouncements and counterclaims."

[India's Foreign Office declined to comment on the report, and Pakistan's Foreign Ministry could not be immediately reached for comment, The Associated Press reported.]

In Washington, the independent seismologic research was viewed as corroborating evidence by Clinton administration officials who have harbored doubts for some time about the scope of the nuclear tests conducted by India and Pakistan.

"We were suspicious from the beginning about the claims by both countries," said one State Department official.

But in the administration's view, the fact that the Indians and Pakistanis apparently exaggerated their tests does not lessen the need for the United States to respond to a regional arms race with global implications.

"We won't argue with experts like these about the number of tests," the State Department official said. "What is important to us is that there were tests by both sides." That's the issue we're trying to deal with."

The administration had already expressed skepticism about the Indian and Pakistani claims. Asked by a member of Congress how many nuclear devices had been tested, Assistant Secretary of State Rick Inderfurth testified on June 3: "Less than they said. The precise numbers are still being looked at."

Experts at Los Alamos National Laboratory, Princeton University and the Incorporated Research Institutions for Seismology, a consortium of 90 research universities that operate a global network of 100 seismic monitoring stations, endorsed the new study's conclusions about the nuclear blasts in India and Pakistan.

■ Pakistan 'Won't Be Pressured'

Pakistan's foreign minister, Sartaj Aziz, said Wednesday that his country would not sign the Comprehensive Test Ban Treaty while under economic sanctions for conducting nuclear weapons tests in May, Reuters reported from Islamabad.

Speaking to Parliament, Mr. Aziz said the economic sanctions were "unwarranted and unjustified," and he demanded that they be lifted immediately.

"No decision will be taken under pressure," he said. "No decision will be taken in haste."

In private briefings to the governing party and opposition politicians this week, the government indicated that it had been offered a multibillion-dollar loan package, a lifting of sanctions and resumption of sales of conventional weapons by the United States, apparently in return for signing the treaty. There has been no official confirmation of the offer.

■ India Wants Technology

India's prime minister said Wednesday that in exchange for signing a nuclear test ban treaty, India wanted the nuclear-energy technology that it has been denied because the material also has military uses, The Associated Press reported from Madras, India

Atal Bihari Vajpayee's comments to reporters confirmed speculation that ongoing talks about the treaty with American officials involve opening the flow of nuclear technology to India.

BRIEFLY

Rival to Mahathir Seeks to Turn Tables

KUALA LUMPUR — Anwar Ibrahim, the dismissed deputy prime minister of Malaysia, said Wednesday that Prime Minister Mahathir bin Mohamad should be investigated for corruption.

Mr. Anwar, who was dismissed from jobs as deputy prime minister and finance minister Sept. 2, was speaking at a rally where he was surrounded by former foes from the opposition Democratic Action Party. He denied allegations against him of treason, abuse of power and sexual misconduct, saying his only wrongdoing was "being a viable alternative to Dr. Mahathir."

"If you want to accuse me of corruption, then you should first investigate the other ministers, starting with Dr. Mahathir," Mr. Anwar said, in a challenge to his former mentor. "You have chosen the wrong guy to pick a fight with."

Mr. Anwar said he planned to continue his nationwide tour Thursday, ignoring threats Wednesday by the national police chief to arrest more of his associates and press charges against him if he continues holding rallies without police permission. *(AP)*

Killings in Cambodia

PHNOM PENH — A top UN human rights official expressed concern Wednesday over arrests, disappearances and discoveries of bodies in and around Phnom Penh, the capital of Cambodia, since a recent government crackdown on opposition protesters.

"During the past week at least two people have been killed in demonstrations, while the bodies of 16 others have been found floating in rivers, in irrigation ditches and in shallow graves around the capital," said a statement from Thomas Hammarberg, the United Nations special representative for human rights in Cambodia. *(AP)*

Burmese Form Panel

RANGOON — Daw Aung San Suu Kyi and nine members of her opposition party have formed a committee representing the arrested lawmakers of an outlawed Burmese Parliament, the party said Wednesday.

The move appeared to be an attempt to hold a session of the 459-member Parliament that was elected in 1990 but never was allowed to convene. Daw Aung San Suu Kyi's National League for Democracy won 82 percent of the seats, but the military has refused to recognize the result of that election and has warned the party leadership that attempting to convene the Parliament is illegal.

A party leader contacted by telephone would not comment on whether that was the intention of the 10 members. To prevent the party from convening the assembly, the military has arrested 783 opposition members, including 194 elected representatives. *(AP)*

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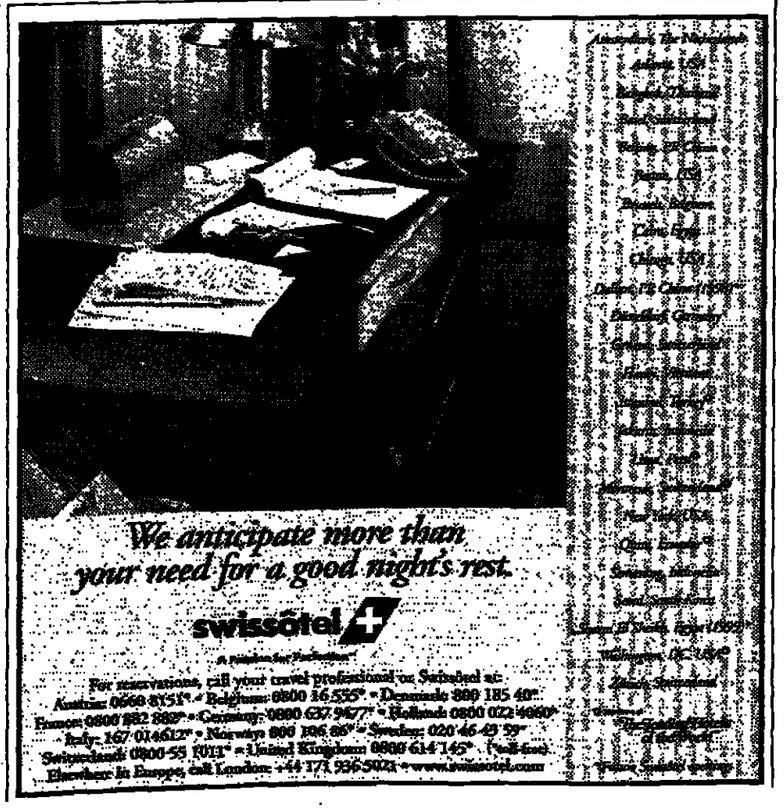

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EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Prosperity Imperiled

A quarter of a century ago when Washington was mired in scandal, the greatest challenge to global prosperity since the Great Depression presented itself in the form of an Arab oil embargo that promptly led to spiraling inflation, recession in the Western world and, within a few years, a Third-World debt crisis that stifled development in Latin America for a generation. The largest economies were unable to respond to those challenges in a timely manner, and the world suffered.

Now, with Washington immersed in another scandal, another major threat to world prosperity has arisen from the collapse in Asia and plunging commodity prices that endanger much of the past decade's progress in developing countries. There is reason to hope the response this time will be better. The Group of Seven industrialized countries say they will cooperate in stimulating world growth. Those actions should include a coordinated lowering of interest rates by central banks in Europe and America.

The current crisis has brought on a widespread shift in investor psychology. Those who invested in developing countries with too little regard for risk now can see only risk as they flee. That capital flight has forced developing countries to raise interest rates to protect their currencies, thus putting a further drag on economies already in recession. Many such countries depend on the export of commodities, whose prices have plunged as world growth has slowed. Many companies, particularly in Asia, are unable to meet their dollar-denominated debt obligations because their home currencies have collapsed.

President Bill Clinton, in an important economic address in New York this week, was right to say the world must look for ways to ameliorate those problems by spurring growth in the industrial world, particularly in Japan, whose own recession could not be occurring at a worse time. He was also right that ways need to be found to relieve some of the debts facing Asian countries.

None of that will be easy. In retrospect, the International Monetary Fund probably pushed for policies that were too restrictive when the Asian crisis erupted a year ago. But its aid is needed more than ever in the current situation, as countries deal with panicky investors.

It is a measure of the sad state of the Clinton presidency that the president's effort to address the world's economic problems was viewed by many through a Monica prism, with commentators wondering whether Mr. Clinton was trying to change the subject. The real question here is whether the American government can deal effectively with major problems at the same time Congress considers the Starr report.

Congress should now provide the $18 billion needed by the IMF, and its leaders should make clear that they are open to further actions that may be needed to avert a world recession.

—THE NEW YORK TIMES.

Clinton Could Bargain

President Bill Clinton cannot avoid impeachment hearings if his lawyers continue to insult the public by insisting that he did not lie under oath. That is the message that Senator Tom Daschle, Democrat of South Dakota, and Representative Richard Gephardt, Democrat of Missouri, delivered Monday by denouncing the legal hairsplitting by White House lawyers. They were also serving notice that if impeachment hearings do come, the president's own party will not defend him under the deservedly ridiculed strategy devised by David Kendall.

Mr. Clinton responded to this sobering warning from two indispensable congressional defenders with a half-measure. He has shoved Mr. Kendall away from the cameras and assigned a new flak-catcher, Gregory Craig, to work Capitol Hill. But this tactical dancing will not stop the accelerating movement toward impeachment nor encourage congressional sentiment for a negotiated censure resolution.

The president's defense team has been dwarfed by the magnitude of its task. He needs the help of a larger, wiser figure than he now employs, a Democrat of stature who commands respect on Capitol Hill and can try to arrange a plea bargain while there is still time.

We have persistently criticized Mr. Clinton's conduct and abuse of the truth, and we are prepared to see the impeachment process through to a resolution if he remains unwilling to concede that he lied under oath. But we also see that the national interest could be served by a settlement that allows Mr. Clinton to stay in office with a heavy congressional reprimand.

As in most grand compromises, the outlines of such a deal are obvious. Mr. Clinton would have to confess to what everyone already knows — that he perjured himself before a federal grand jury and in a civil proceeding — as a way of affirming that no citizen, including the president, is above the law. What he would need in return would be a promise of censure instead of removal, an end to that part of the independent counsel inquiry focused on his offenses, and a guarantee of no criminal indictment.

As with any grand compromise, there are equally obvious problems. The admission of lying would open him to a renewed civil suit by Paula Jones. That can be settled with money, as it should have been last year. Any limiting of the Kenneth Starr investigation would have to be approved by the panel of federal judges that supervises the independent counsel. On some aspects of the case, Congress might have to immunize Mr. Clinton or agree to have him pardon himself.

Another question is who in the Democratic Party has the gravitas to conduct such negotiations. Former Senator George Mitchell understandably refused to join the current half-baked effort. But he would be a good choice if Mr. Clinton vests someone with the authority to bargain seriously on his behalf, rather than play legalistic games. Others who come to mind are former Senator Sam Nunn, former Secretary of State Warren Christopher, Lloyd Cutler, a former White House counsel, and Leon Panetta, a former White House chief of staff. Among Democrats in Congress, Senator Joseph Lieberman of Connecticut has earned the standing to open serious discussions with Republican leaders.

On Tuesday, the Senate majority leader, Trent Lott, disparaged any deal, but a smarter advocate than the president now employs might persuade Republicans that the public desires a settlement. The fact that two-thirds of the people want censure and only one-third favor impeachment could sway the Republicans toward a deal in which Mr. Clinton acknowledges his failure to faithfully execute the law.

What is beyond question is that unless the White House dispatches a heavyweight political deal-maker, the Republican leadership will let the process grind through the fall. Time is this president's enemy in another way, too. A little-noticed paragraph of the Starr report raises the possibility of sending Congress information on other matters. Are Mr. Clinton's lawyers so detached from reality that they think their wobbly client can take a major disclosure that his associates violated the law on Whitewater, Filegate or Travelgate?

So far, the entire Clinton defense effort can be summed up as too little too late. Having tried delay, lying and lawyers who energize foes and alienate friends, Mr. Clinton might try sending a political professional to strike a realistic deal that would allow him to hang onto his office.

—THE NEW YORK TIMES.

Other Comment

Clinging to the Presidency

Mr. Clinton hopes he can cling on. After all, he still sits in the White House, rides in the presidential limousine, shakes hands with Boris Yeltsin. Some world-shattering event may yet enable him to shine internationally and recover grace at home. But clinging on for dear life is not governing. As markets zigzag, Russia crumbles and terrorism rears its head, self-pitying paralysis is not good enough.

The Economist (London).

Bill Clinton compares himself to John F. Kennedy. But one reason why the rules of the game changed after Mr. Kennedy's day was precisely that he had shared mistresses with mobsters and East bloc agents. For there comes a moment when the personal *is* political.

The Daily Telegraph (London).

Herald INTERNATIONAL Tribune

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The Teetering World Economy Can Be Righted Again

By Roger C. Altman

NEW YORK — Imagine a map of the world. In mid-1997, when Thailand's economy became the first in Asia to collapse, one could have colored that country red. Now, only 14 months later, the entire developing world would be crimson. The worst international economic crisis in 50 years, which no one foresaw, has ravaged two-thirds of the globe. Standards of living, so painfully raised, are falling. The U.S. economy and financial markets, initially expected to escape unscathed, are also damaged.

Stunned observers are asking whether the international economic and financial system is broken. Several larger developing nations that were pursuing open-market policies for years, including Hong Kong, Malaysia and Russia, are reversing course. They are, in effect, dropping out of the global economy. There are increasing calls for curtailing the worldwide system of floating exchange rates and free flows of capital. Previously, these were icons of global economic progress.

But the international economic system, based on open and competitive markets for goods and capital, is the right one. It is the safety net underneath that is torn and needs repair. Resources for the International Monetary Fund, emergency lender to governments, must be vastly expanded. An early warning system on financial and economic weaknesses and individual nations is long overdue. The United States and Europe should engineer a lowering of worldwide interest rates now to cushion against global recession and deflation.

It is important to understand how a collapse of this magnitude could have happened and whether its spread can be stopped, as well as the flaws in the system that have been exposed.

One must begin by understanding the illness. First, a part of the problem is the tendency of financial markets to overshoot, both on the upside and the downside. As the U.S. Federal Reserve chairman, Alan Greenspan, observed last week, they are usually too euphoric or too pessimistic. The current, wholesale investor boycott of all developing countries is a prime example.

Second, a group of Asian economies is sicker than anyone realized. A combination of complacent global investors and poor data issued by these countries enabled them to appear healthier than they were. It turned out that much of the recent growth in countries such as Thailand, Indonesia, South Korea and Malaysia was artificial. For reasons of cronyism and politics, their governments had induced local banks to shovel loans into unproductive enterprises. Foreign lenders also were eagerly providing financing. The result was overcapacity, unprofitability, bad loans and a dependence on foreign capital, usually denominated in dollars.

When the real condition of numerous industries and banks became clear, investors fled. They sold local assets so aggressively that currencies fell sharply. To defend them, nations depleted their treasuries and verged on national insolvency. This prompted a series of huge, IMF-led Asian bailouts. They succeeded in preventing defaults, but not in averting severe declines in their financial markets and economies.

Third, the world's second-largest economy, Japan, has been the victim of unprecedented policy errors. The result has been a severe credit crunch and the worst postwar recession. The Japanese banking system has lost almost all its true capital and cannot lend. Because Japan is the largest market for goods and services of other Asian economies, its weakness has depressed the region. Indeed, it is a millstone around the neck of the entire world economy.

Tokyo has not addressed this problem. There is political paralysis and deepening recession. Without a functioning banking system, no economy can grow. Japan is suffering that fate.

Fourth, the IMF is the world's designated emergency lender and crisis manager, but it is almost out of money and suffers from a leadership crisis. The U.S. Congress has refused to support additional funding for the agency and has undermined its credibility. Investors know larger developing nations do not have the usual safety net afforded by the IMF. They are not willing, therefore, to stick with those countries or return to them. This has worsened the crisis.

Still, the spread of this international economic crisis can be contained. It will not plunge the entire world into depression. The self-correcting character of financial markets will provide part of the solution. Today's investor boycott of essentially healthy countries will run its course. The Hong Kong and Mexican markets, for example, will recover because their long-term economic outlooks are sound.

In addition, the leadership vacuum in Tokyo and recessionary conditions there will not last. Japan is a rich country that will not tolerate a needless and prolonged recession. The United States took far too long to get its budget deficits under control, and Tokyo is similarly guilty of procrastination. But powerful nations do not labor under such imbalances indefinitely.

Unfortunately, a number of the sickest countries face great pain. There is no quick recovery for Indonesia, South Korea and the like. Their financial systems must be overhauled. Their standards of living will be under pressure, many businesses will fail and high inflation will persist.

Nations can briefly behave like ostriches, trying to withdraw from the world, but that is self-defeating.

Open markets, free flows of capital and globalization have not failed the world. South Korea did not find itself with overcapacity and unprofitability because of capitalism. It is not the cause of Russia's inability to collect taxes.

The opposite is true. These nations have not met the basic tests of capitalism. When capital can flow freely, it favors performance and punishes failure, just like any competitive system. Yes, the degree of favoritism or punishment is often excessive. But the bottom line is that a group of nations were economically mismanaged and resisting truly open markets.

Does this mean Darwinism is the only rule for the international economy? No. It has long been recognized that buffers and cushions are necessary. The modern world's monetary system was founded on this principle. But the harder question is whether this crisis has exposed important weaknesses in the safety net that must be fixed.

The answer is yes.

First, the world's emergency lending facility, through the IMF, is far too small. There are now trillions of dollars coursing through world markets, but the IMF is capitalized as if it were a 1960s institution. Its current lending capacity appears to be less than $50 billion. Such financial resources should be exponentially greater than the IMF has requested, let alone received.

The reality is, larger rescue packages will be necessary. If Mexico required a $52 billion rescue in 1994, and South Korea needed $57 billion last year, the next requirement will be larger. If the funds are unavailable, the damage to individual nations and the world system will be deeper and longer lasting.

Yet the U.S. House of Representatives refuses to support even paltry sums. The House must wake up.

Second, the world does not have an early warning system. Though several Asian economies were sick, there were no real warnings, even to the ailing countries. The U.S. private credit-rating agencies are not yet up to this. There is political opposition to any such role for the IMF, on the ground that warnings themselves could precipitate crises.

This is bureaucratic shortsightedness. In exchange for IMF membership, nations should be required to supply accurate economic and financial data. If that data suggests structural weakness, the IMF should say so. An earlier, smaller crisis is better than a later and deeper one.

Finally, the United States and Europe must realize that this crisis puts them at economic risk, too. That is why their stock markets have fallen so sharply. But with Tokyo disabled, they are the only engines of world liquidity and the bulwarks against deflation. In particular, it is time for them to engineer a lowering of world interest rates to liquefy banking systems and provide a stimulus to demand. That should occur now.

The global march toward open and freely competitive markets should and will continue. Nations can briefly behave like ostriches, trying to withdraw from the world, but that is self-defeating. Yes, this crisis has exposed weaknesses in the international economic system. But they can be fixed, and it is the responsibility of the industrialized world to do it.

The writer, an investment banker, was a Treasury Department official in the Carter and Clinton administrations. He contributed this comment to the Los Angeles Times.

Where Are the Thinkers Who'll Build a Better Money Machine?

By William Pfaff

LONDON — The world unquestionably is in need of a new way to manage the international economy, but it will have a hard time finding it because the intellectual foundation for a "new Bretton Woods" is lacking.

At the end of the second world war, when all of the war economies had been strictly controlled, planned and directed to maximize war production, people feared that a return to production for peacetime demand could produce a crisis of "overproduction," followed by slump, economic nationalism and trade protectionism, and a return to the depression of the prewar years.

The meetings at Bretton Woods, in New Hampshire, were successful because a new interpretation of the international economy existed, developed by John Maynard Keynes during the 1930s, validated by the wartime experience of economic management. This new interpretation was accepted by the majority of economists and officials.

Bretton Woods established a structure for postwar stability and growth in which member governments declared fixed currency exchange rates related to the dollar (then exchangeable into gold), to be altered only in the event of "fundamental disequilibrium." This was to prevent competitive devaluations. The IMF was set up to give credits to governments in difficulty, so as to reduce or eliminate the need to devalue currencies.

The Bretton Woods system of currency stability was destroyed in 1971 by the Nixon administration's suspension of the dollar's gold convertibility, its subsequent devaluation, and the general move to floating exchange rates.

On Monday, President Bill Clinton fled Washington for refuge in the Council on Foreign Relations' paneled library on Park Avenue. He told the Council's members that the World Bank and IMF annual meetings scheduled for early next month should be turned into a 22-nation conference on reforming the financial system.

The problems he identified include the new contagiousness of crises and the explosive volatility of currency and equity markets, as well as the dangerous social and political consequences of the Asian and Russian collapses. But there was nothing new in Mr. Clinton's approach. He asked for debt resolution in Asia, more World Bank money addressed to the social dimension of the crisis, still more pressure on Japan to reflate, and so forth. His talk was a characteristic product of the thinking of the so-called "Washington consensus" on economic policy.

No doubt was expressed about the prevailing Washington appreciation of the fundamental nature of today's problems. Little such doubt seems to exist in the mainstream economic community. Worse, there is little sign of a new analysis able to provide a theoretical basis upon which real reform of the international economy might be constructed.

There is no new Keynes. Without a new Keynes, it is hard to see what Mr. Clinton's conference, or any other reform effort, can do, other than to patch up the system.

The world's plight results from the collapse of the two governing paradigms of international society. The economy has been governed by the essentially monetarist consensus, which said that sweeping international deregulation and the opening of markets worldwide to foreign investment and free trade would produce unprecedented prosperity for all.

This consensus continues to recommend deflationary measures to a system in danger of toppling into mass bankruptcies and unemployment.

The Asian and Russian crises have demonstrated that globalizing the world economy globalized its susceptibility to crisis, at the same time creating conditions that block the crisis's resolution. Thus what originally was a little problem with the Thai baht has brought down the Asian tigers, Russia, is now attacking Latin America, and has the United States and Europe anxious.

The political paradigm has been that of America the sole superpower, overseeing the universalization of market economies and liberal democracy. That too bears embarrassingly small resemblance to what actually is going on.

A number of proposals are on the table for controlling the present velocity and irresponsibility of capital movements, and for recreating some degree of control over exchange rates, perhaps through managing the relationships between dollar, euro, and an as-yet to be created Asian regional currency bloc.

But the fundamental need is acknowledgment that maximizing business efficiencies and capital return while ignoring the social and resource-use disutilities thereby produced is simply wrong — wrong not only in theory but in practical outcome. That would not be new thinking, merely a return to what was the common wisdom of a half-century ago.

International Herald Tribune.
Los Angeles Times Syndicate.

The CIA's Gaping Front Line Won't Win a War on Terrorism

By Frederick P. Hitz

WASHINGTON — Now that the U.S. administration has declared war on terrorism in the wake of the bombings at the American embassies in Nairobi and Dar es Salaam, it is appropriate to concern ourselves with the condition of the front-line troops the United States will need to fight this war, the Clandestine Service of the Central Intelligence Agency.

The picture is not encouraging. The service, the human source collectors of intelligence information in the Directorate of Operations, has been shrinking in size and capability since the end of the Cold War.

The service has been on a mandated slimming-down based on attrition since 1990. It has lost more experienced professionals to retirement during this period than it had perhaps envisioned. Officers took pride in having contributed to the dismantling of the Berlin Wall. Viewing today's lengthening mortality tables, they decided on a second career outside the agency.

The agency has begun to dissipate its seed corn. It is not replacing front-line professionals on a one-for-one basis. Even if the agency had been able to maintain an acceptable stream of new staff recruits, it would be years before they acquired the skills to match those they are replacing in the war against terrorism. Some would argue that the attributes necessary to wage this new war are not yet in the agency training playbook.

The mixture of language skills, cultural affinity, law enforcement fundamentals and preparation for a clandestine life around the shadows of the terrorist camps is a recipe that the Clandestine Service is not yet prepared to follow.

The CIA Office of Inspector General studied the rate of attrition in the Clandestine Service over two fiscal years beginning in 1994. The classified study concluded that while rates of attrition were not historically high by U.S. government standards, they were higher than for the Foreign Service and involved high-quality officers the agency could not afford to lose.

Many pointed to dissatisfaction with agency management and their supervisors; lack of clarity about the current agency mission was a factor as well.

The director of Central Intelligence, George Tenet, empowered a blue ribbon panel of outside experts earlier this year to advise him on staff hiring. The Office of Inspector General also finished a helpful study in 1997. Mindful of the Aldrich Ames and Harold Nicholson spy cases, the agency is looking at ways to bring in officers earlier, at an apprentice stage, to give them an insight into operational work while they are being evaluated and while they themselves are deciding if this is an appropriate lifetime career choice.

The real questions that must be answered to put more capable foot soldiers into the war against terrorism relate to spiritual and monetary compensation, motivation and esprit de corps.

With the cooperation of the president and Congress, a way must be found to make the salaries of Clandestine Service operatives commensurate with the skills expected of them and the risks they must undertake. This is true for technical hires as well. There is no way the agency can compete against Morgan Stanley for a second generation Arab-American with near-native Arabic language ability willing to work in the Middle East in a commercial context on a U.S. government salary.

The combination of Ames and Nicholson, the two spies discovered in the agency's midst; a lack of leadership stemming from a revolving door at the top with five directors in seven years; the lack of a clear mission in the aftermath of the Cold War, and the general denigration of public service in the United States has been deadly for the agency. The United States must create an environment in which staff recruits will be motivated to stick with it over the long haul.

Finally, nobody is going to join an organization that has lost faith in itself, is confused about its mission and is trapped in the sclerosis of a middle-aged bureaucracy. The agency needs to recapture the esprit de corps it manifested during the height of the Cold War, when a conviction that its officers were doing "important work" substituted for several decimal places in monetary compensation. The army was able to reconstitute itself after My Lai in the Vietnam War, and the agency's career trainee cadre can do the same.

If no effort is made to resurrect the idea that working in the Clandestine Service on the terrorist target is a special and coveted assignment, requiring the utmost in dedication and skill, then the CIA will not be able to attract the officers it needs to meet the challenge of President Bill Clinton's declaration of war against terrorism.

The writer was inspector general at the Central Intelligence Agency from 1990 to 1998. He contributed this comment to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Fashoda Warning

PARIS — [The Herald says in an Editorial:] We publish a despatch from the special correspondent of the *Daily Telegraph*, who has returned form Omdurman to Cairo, purporting to outline the probable action of the Sirdar if he finds Captain Marchand in occupation at Fashoda. Sir Herbert Kitchener, according to Cairene authorities, will present an ultimatum requiring the French officer to quit forthwith, and in case of non-compliance will use force.

1923: Oklahoma Alert

NEW YORK — Oklahoma is under martial law. Governor J.C. Walton issued a proclamation putting the State in the hands of the troops. This action is another step in the fight between the Governor and the Ku Klux Klan, which has been going on for several months in a State where the Klan is particularly strong. This may presage civil war. The Governor declares a state of rebellion exists against the authorities. The Governor says in brief: "The Invisible Empire has usurped the power of the political government."

1948: The English Look

NEW YORK — Clyde Matthews, head of a large New York fashion-model agency, considers English girls better suited than Americans for the new trend in fashion modeling. Mr. Matthews, confirming that he was sending a "shopping expedition" to Great Britain to search for "outstanding English beauties" to come to the United States, said: "English girls have a special ladylike quality which American girls don't seem to have. The day of the glamour girl and the well-scrubbed American type of beauty is passé in the fashion business."

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OPINION/LETTERS

Clinton's Worst Sin Is Perverting Language

By Maureen Dowd

WASHINGTON — The quintessential Bill Clinton moment can be found in footnote No. 109 of the Starr report.

The president was asked before the Starr grand jury about Robert Bennett's assertion during the deposition for the Paula Jones case that "there is absolutely no sex of any kind" between the president and Monica Lewinsky. His defender in the case was right, Mr. Clinton said, because he was using the present tense. "It depends on what the meaning of the word 'is' is," the president explained helpfully.

The same footnote offers three other Clintonian gems before the grand jury: "I have not had sex with her as I defined it." "It depends on how you define alone." And, "There were a lot of times when we were alone, but I never really thought we were."

He is admitting and denying at the same time, forcing his aides to behave like crazy contortionists.

His double-talk had a contagious effect on Betty Currie. "I don't want the impression of sneaking," the president's secretary said about Ms. Lewinsky, "but it's just that I brought her in without anyone seeing her."

Mr. Clinton's greatest sin is not sex or dissembling about sex, as the heavy-breathing Kenneth Starr believes. His greatest sin is swindling and perverting the American language. He is like the cursed girl in the fairy tale: Every time he opens his mouth, a toad jumps out.

His problems stem from his instinct when he runs into trouble to shroud rather than *illuminate*. He tries to make words subjective, insisting they mean only what he wants them to. Just as he made the Democratic Party about himself, and the Democratic Conventions about himself, and the presidency about himself, he tries to make the language about himself.

But he can't. Laws are composed of words. The president is in charge of the laws. When he drains meaning from words, he jeopardizes his ability to govern. He has made Washington Orwellian. His corrupt language corrupts thought.

In order to escape the noose, he is admitting and denying at the same time, and forcing his lawyers and aides to go out and behave like crazy contortionists. Even Democrats are ashamed of the chucklehead "hairsplitting," as Tom Daschle, the Senate minority leader, calls it.

The president admits trying to mislead Paula Jones's lawyers, but denies lying under oath. He admits Ms. Lewinsky had sex with him, but denies he had sex with her. He denies that oral sex (the second word of which is sex)is sex. The president, says his lawyer, David Kendall, committed "interpretations of contorted definitions," not perjury.

Once I went to Elizabeth Arden and they tried to sell me some soap. I told them that soap dried out my skin. "But," said the saleswoman, "this is the soap that isn't a soap." I bought it. It dried out my skin.

A friend of mine once picked up a purse at a counter in Saks and observed that it felt like plastic. "No," the saleswomen told her, "it's Plastique." The Clinton world is full of soap that isn't soap and plastic that isn't plastic.

"The great enemy of clear language is insincerity," George Orwell wrote in a famous essay on politics and language.

Mr. Clinton's supporters are upset that he did not give his groveling prayer-breakfast speech 25 days earlier, on the night he made his defiant television address. But the petulant and angry television address was the authentic Clinton moment. The repentant and lip-biting prayer breakfast speech was the contrived Clinton moment.

I don't think he should be pushed from office. For his transgressions, he should have to perform 28 months of community service. He can join his National Service corps. Let him put aside his risky and challenging sex life and take up a risky and challenging public life. Let him cash in on his popularity and do something wonderful for the country in return for all the slop he has put us through. As Rhett Butler said, "If you have enough courage you don't need a reputation."

But if he wants to move past "the adversity of the moment," as he so delicately calls it, he must stop ducking and find a way to reconnect words and meaning. If he can't, he will be in big trouble. Depending on what you mean by the word "be."

The New York Times.

Just a Thought From the Cheap Seats: A Dose of Hard Times Could Be Good

By Rick Newman

WASHINGTON — I hope a recession is coming.

During the last one, the airlines were so desperate for business that they had to lower prices and treat customers nicely. You could tell the difference between the passenger and the cargo compartments.

Now, there are so many eager travelers that the airlines are earning record profits. Fares have gone up, passengers almost have to sit on each other's laps, and you are lucky if a flight attendant flings a bag of pretzels at you on a three-hour flight. It would be nice if a little economic downturn tilted things back in the economy class's favor.

MEANWHILE

Real estate developers are getting a little cocky too. In my neighborhood, the few wooded areas left are being turned into tracts as stark as a Monopoly board near the end of the game, when everybody has replaced their little green houses with big red ones.

A billboard in front of one parcel reads, "Executive homes on wooded lots, from $499,000." (Wooded, that is, until they actually build the houses.) The "executives" seem to be stock-market millionaires who are happy to pay a little extra for such particleboard palaces. Maybe a dive in the Dow will put the woods out of these executives' price range.

Not that I want anybody to suffer terribly. I'd just like to see things get bad enough that all of the sport-utility vehicles on the road get repossessed. They are not really sporting — the most appealing attribute is the ability to bully vehicles in lower weight classes — and their only unique utility is being able to drive over curbs without making the CD player skip. With those $35,000 trucks out of the way, it should be easier for the rest of us to find our way around.

Plus, a recession could help restore the public's civic awareness. Voters are so bedazzled by their literal good fortune that they are like my 2-year-old daughter when she is watching Barney: No amount of sideshow antics can distract their attention.

That is why the president can hang on to his office after graphic details of his extramarital sex life invade every household in America. Voters listening with half an ear simply nod as they concentrate on counting their money. If the stock market's recent roller coaster does degenerate into a free fall, they could become a lot more interested in what kind of man is leading the country.

Of course, I might benefit personally from a recession. When people were getting laid off back in the early 1990s, just having a steady income gave me confidence. But watching people pile up fortunes much larger than mine has made me feel as if I'm falling behind. Maybe if a market correction forces those people to sell some assets, my relative standing will improve.

Then there are the quality-of-life improvements to look forward to. It would be nice to be able to find a parking space at the mall, which might happen if enough people can no longer afford to buy stuff.

Significant layoffs could reduce rush-hour traffic, since fewer people would be going to work.

And with more skilled people out there looking for jobs, I might actually be able to find a babysitter on weekends. Assuming I will still have some disposable income to spend.

The writer, a correspondent for U.S. News & World Report, contributed this comment to The New York Times.

LETTERS TO THE EDITOR

Starr's Report: Some Readings From Abroad

Having watched from abroad with mounting alarm as the Lewinsky scandal spirals out of control, I fear that the functioning of the American political system will be seriously undermined if the U.S. Congress pursues the president's impeachment on the basis of the independent counsel's unconscionably salacious and partisan report.

President Bill Clinton, even so damaged, must not be removed from office. Greater principles are at stake. Presidents are elected and barring the most serious offenses against the nation — crimes of the rank of treason or grave abuses of power — they serve their full terms.

Mr. Clinton deserves censure for his action, but so does Kenneth Starr, who has abused the powers entrusted him. Congress should unanimously censure both. Then Mr. Clinton can limp through his broken term and Mr. Starr can promote his book. Afterward, we Americans must consider how we have allowed such an extraordinary attempt to subvert our most basic national principles.

ANDREW ZEGA.
Paris.

The only ones to have shown common sense and restraint in the Monica Lewinsky affair are Hillary Clinton and the American people. In the end, fortunately, they are the only ones who count.

HENRY BLUMENFELD.
Gif-sur-Yvette, France.

Is there a law entitling the government of the United States to create and promote porno sites? Are there no rights to privacy whatsoever for public officials or interns regarding the most intimate details of their sexual encounters when they are in question as to material relevance of *alleged* criminal offenses? Is there any possibility now for the potential defendant in this case to receive a fair trial?

As an American who has been disgusted for months with legalized voyeurism sponsored by the government at the cost of millions of dollars, I am now livid with rage.

President Clinton may not be able to do much but fight the battle politically. But I believe Ms. Lewinsky should be entitled to sue the government for millions, and I hope she does. Wasn't she informed that she was giving secret testimony? Or did she go before the grand jury and tell every detail for the purpose of exposing her sex life internationally to millions of people?

EVA ADAMS.
Berlin.

Those given to vituperation and hatred know well that their castigation of President Clinton is not proportionate to his misdeed. The defect in the president's nature did not prevent him from serving his country well. He is still a compassionate man, sensitive to the needs of the American people and dedicated to making their lives better. We Americans need to be aware that we are in this rabid process doing inestimable damage to our country.

JULES DASSIN.
Athens.

Reporters and pundits refer to Mr. Starr's charges as allegations, but then they go on to discuss the content of the report as though it is factual. What has happened to objectivity?

CATHARINE FUREY.
London.

A system running amok. That is the image America is presenting to the world. America's talent for self-destruction is unbelievable. What a pity!

PIERRE M. MARTIN.
Toulouse, France.

Lawmakers should take a deep breath while reading the Starr report, keeping in mind that Mr. Starr is likely to be remembered as the McCarthy of the '90s.

KAREN KENADY.
Pontlevoy, France.

If, as David Maraniss very convincingly suggests, Mr. Clinton is not conscious of lying when he does (*"A History of Adjusting to Predicaments," Sept. 14*), then he is not fit to hold his present responsibilities. He does not deserve to be in the White House.

MICHELINE COURTY.
Paris.

The spectacle of my fellow Americans rushing into a peeping-tom act of historic proportions — sponsored by an officially appointed investigator and a majority in the U.S. Congress — aroused a deep sense of shame for my country. One can only hope that a complete list of the names of those legislators who signed off on this act will be made public.

JOE WILLIAMS.
Düsseldorf.

Americans elected the president in part for his fighting spirit. It is time for him to go on the offensive.

P. MANASSE.
Monte Carlo.

It looks a bit like a wild-west lynching but it is a double feature: the lynching of Bill Clinton and of the presidency, with the Republican posse panting after the chase, guns drawn, waiting for the kill.

RICHARD FREMANTLE.
Florence.

Mr. Starr has taken great pains to indicate the grave consequences that would befall Ms. Lewinsky if the government could prove she were lying. But both she and he are fully aware that while her testimony cannot be refuted, neither can any of it be substantiated.

REYNOLD RIEMER.
Paris.

Despite his questionable credibility, Mr. Clinton was elected president twice in free and fair elections. Voters may have thought their choices were limited, but just wait until 2000. The sanity of any man or woman seeking the presidency will be brought into serious question.

KENDAL SHABER.
Singapore.

BOOKS

THE LAST KABBALIST OF LISBON

By Richard Zimler. Illustrated. 318 pages. $24.95. Overlook Press.

Reviewed by Richard Bernstein

WHAT lives for centuries but can still die before its own birth? The answer to that cabalist riddle — or at least what Richard Zimler presents as a cabalist riddle in his intriguing mystery of 16th-century Lisbon — will not be disclosed here, but you can find out in "The Last Kabbalist of Lisbon" (as Zimler spells the term for Jewish mysticism).

My prediction is that you won't regret spending a few hours with this book. I'm not sure how deep your understanding of cabala will become, but you will find yourself drawn into a moody, tightly constructed historical thriller that is both entertaining and instructive.

Zimler, an American writer who has lived in Portugal since 1990, has invented a manuscript that, he explains in a preface, was discovered a few years ago in Istanbul inside a *tik*, a small cylindrical chest traditionally used by Sephardic Jews to house the Torah, the first five books of the Old Testament. Inside this tik was not a Torah but a cache of manuscripts by one Berekiah Zarco, all written with the sort of reed pen used in 16th-century Iberia. Seven of the volumes are treatises on cabala, but three, written in the form of an early picaresque novel, tell the story of the murder of Berekiah's revered uncle, a great cabalist scholar from Lisbon named Abraham.

Zimler's description of this discovery is clever enough to seem real rather than part of a fictional conceit. He is not persuasive on every page, however, as he tries to create the impression of an authentic early Renaissance document written from inside the chiaroscuro world of hidden Jewry in the years of the Portuguese Inquisition. Here and there modern location creeps into his text — a reference to pragmatism, for example, or the appearance of a bit of dialogue tinged with a late-20th-century sensibility — like "Save it, Carlos! I don't want your protection."

The author also frequently uses "gift" as a verb, as in, "I realized the powers of disguise gifted to the man I need to bring to justice," which seems stilted without being authentic to the period.

But generally speaking "The Last Kabbalist of Lisbon" is both a good mystery story and an effective evocation of a faraway time and place. Zimler begins by subjecting Berekiah's manuscript to critical scrutiny, citing evidence that it is authentic and wondering why there is no mention of it in "contemporaneous Jewish manuscripts." Possibly, he conjectures, Berekiah's "disparaging characterizations of Old Christians" — as distinct from the Jewish "conversos," or "New Christians" — and his "treatment of such topics as sex and the schism between cabbalists and rabbinical authorities," led him to suppress his writings, although they have happily resurfaced.

Berekiah says that he began writing his tale in the Hebrew year 5267, corresponding to the Christian year 1507. The Jews had been expelled from Spain in 1492. Portuguese Jews were forcibly converted to Christianity in 1497, but in 1506, some 2,000 of these New Christians, suspected of secretly observing Jewish rites, were massacred in an orgy of fire and blood.

Berekiah's story takes place during several days of Passover that year, during and just after the massacre. His Uncle Abraham, whom he calls "my master," is found murdered in the hidden cellar synagogue of the family house in the old Lisbon Jewish quarter. The rest of the story involves Berekiah's investigation of the crime and his effort to find and punish the perpetrators.

The murder scene, as investigated by Berekiah, is both intriguing and disturbing. Next to Abraham is a naked young girl, also stabbed to death. Semen is found on the uncle's thigh, so it looks as if he had been engaging in illicit fornication when he was killed. The door to the cellar had been bolted from inside when Berekiah broke into the room and discovered the corpses, so how did the murderer make his way out? The throats of both victims had been cut just below the windpipe, as if by a shohet, a Jewish ritual slaughterer.

"Had a traitorous New Christian led the followers of the Nazarene to my uncle, then slit his throat?" he wonders. "I pictured a Dominican friar rousing the mob to break into our cellar, my master taken and handed over to this Jewish mercenary like a sacrificial lamb."

We do in the end learn who killed Uncle Abraham and the young girl, but not before Zimler has taken us on a colorful journey though Lisbon, phantasmagorically caught up in the ritual of slaughtering Jews.

Among the cast of characters, most of them secret Jews, are a priest named Carlos, several members of a secret cabalist group assembled by Abraham to smuggle Hebrew texts out of Portugal and a presumed nobleman, the Count of Almira, who seems, like others in this story, to have a keen interest in ancient Hebrew texts. The murdered Abraham himself was a renowned manuscript illustrator, and Berekiah finds clues to the murder in his illustrations of a Haggadah, the Passover prayer book, in which some of the characters of the novel are portrayed as biblical figures.

And then there are here and there some fragments of cabalistic lore: "Books are created from holy letters," Berekiah tells a certain Dom Miguel. "Just as angels are, according to some. Viewed from this perspective — through a window of kabbalah, if you like — an angel is nothing but a book given heavenly form."

As Zimler brings us to the conclusion of his "translation" of Berekiah's rediscovered text, it is passages like this one, little riffs of mysticism and Jewish lore, that give his book its special and endearing character.

New York Times Service

BRIDGE

By Alan Truscott

THE final of the Vivendi Rosenblum Cup for Open Teams, in which Italy defeated Brazil by 79 imps, was an anticlimax after the drama of the semifinal stage. Brazil survived against Sweden after being tied with three deals remaining.

Italy won by just 3 imps against the United States team of Bart Bramley, Sidney Lazard, Steve Garner, Howard Weinstein, Bill Pollack and Drew Casen. A key deal is shown in the diagram.

Bidding freak hands, especially when there is vigorous competitive action, requires guesswork rather than science. Alfredo Versace for Italy opened one spade and at his next turn took a wild shot at six hearts. He had heard his partner bid clubs, and the opponents bid diamonds to the five-level.

Lazard, who had played superbly in the match, had to make a crucial lead as West. He knew that at this vulnerability his partner, Bramley, might have six diamonds. To avoid a possible ruff-and-sluff, he led his spade 10.

Now South was able to ruff a diamond and lead a spade, after which he could not be prevented from using his spades. Two low spade ruffs in dummy could be managed, and the heart queen was the only trick for the defense. In the replay, the American North-South rested in four spades, and the Italian team gained 11 imps.

But if Lazard had made the obvious diamond lead, the play would have been vastly more complicated. The slam might have failed, letting the Americans advance to the final and perhaps a world title.

NORTH
♠ A
♡ 9 7 5
♢ 4
♣ A Q 8 7 6 5 4 2

WEST
♠ 10
♡ Q 4
♢ K Q J 10 8 6 3
♣ K 10 9

EAST (D)
♠ Q 9 8 7
♡ 10 6 3
♢ A 9 7 5 2
♣ J

SOUTH
♠ K J 6 5 4 3 2
♡ A K J 8 2
♢ —
♣ 3

East and West were vulnerable.

The bidding:

East	South	West	North
Pass	1 ♠	3 ♢	4 ♣
5 ♢	6 ♡	Pass	Pass
Pass			

West led the spade 10.

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TribTech

Faster and Cheaper Aren't Always Better, U.S. Space Agency Finds

By Warren E. Leary
New York Times Service

WASHINGTON — The National Aeronautics and Space Administration has been shifting its focus away from costly, large satellites and space probes, hailing a number of successes with smaller, less expensive craft that exemplify its new "faster, better, cheaper" philosophy of doing business.

From its highly successful Pathfinder mission, which left a small robot rover on Mars, to new probes heading for asteroids and comets, and small satellites measuring tropical rainfall or atmospheric gases on Earth, the space agency says it has ample evidence that the streamlined approach is working.

Smaller, simpler spacecraft — combining cutting-edge technology, like miniature instruments, with inexpensive, off-the-shelf components — can maintain a steady pace of exploration as budgets decline and new billion-dollar missions, like the Hubble Space Telescope, are no longer feasible, the space agency says.

But what if faster, better, cheaper proves to be none of the above? What if the process of narrower program requirements, speedier, incentive-based contracts, more contractor responsibility and less government supervision or oversight fails to pay off? Then the government and the taxpayers could end up with Lewis and Clark — two satellites that were not among NASA's success stories.

A program announced in 1994, the Small Spacecraft Technology Initiative, should have resulted in the two satellites named for the 19th century American explorers Meriwether Lewis and William Clark orbiting Earth today, making detailed measurements of surface features and doing environmental sampling. Together, the two satellites were to demonstrate 55 new technologies and fly 7 major instruments developed by industry, university and government scientists.

Instead, Clark was never built, a victim of instrument problems, testing delays and rising costs. And Lewis, launched into orbit on Aug. 23, 1997, reentered the atmosphere and burned up a month later.

Investigators said Lewis spun out of control and lost power because of flawed control system design and inadequate monitoring by ground controllers.

"Lewis and Clark were not high-profile missions and didn't raise a lot of eyebrows when they failed," said Marcia Smith of the Congressional Research Service, "but they showed you *can do faster, smaller, cheaper, but don't* necessarily get better."

In announcing contracts for the two satellites in June 1994, the administrator of the space agency, Daniel Goldin, said the program put his "faster, better, cheaper" policy into practice. He called for the satellites to be developed and launched into orbit within 24 months at a cost of less than $60 million each. Under this concept, the agency states the results it wants and leaves it up to the contractor with the winning bid to determine details, like design of the spacecraft, who will build what instruments and what rocket will be used to launch the finished craft.

"*This is a new way of doing business* for NASA," Mr. Goldin said then. "We *told the industry what to do, not how to* do it."

To safeguard the government's interests, contracts under the new program contain awards based on performance and disincentives for cost overruns that reduce fees if costs rise above certain levels, agency officials said. And if costs rise 15 percent above contract amounts, they said, programs face cancellation.

Ghassem Asrar, the agency's associate administrator for earth science, said a new way of doing business required a new management approach, one that did not require the constant scrutiny of projects.

But he said the experience with Lewis and Clark showed the agency that it had gone too far in relinquishing oversight of the projects to keep costs down.

"There is a general perception in *industry and Congress that the gov*ernment having too much oversight adds time and money to projects," Mr. Asrar said. "But we discovered the hard way that it's not always true. We learned we stepped too far back."

A $59 million contract for Lewis went to TRW Inc., calling for a 600-pound satellite with a three-year design life. It would carry two advanced imaging instrumentsthat would allow monitoring the planet in unprecedented detail.

A $50 million contract for Clark went to CTA Inc., a technology company that was acquired last year by the Orbital Sciences Corp., which designs and makes rockets, satellites and other space-related products. Clark, similar in dimensions to Lewis, was to carry instruments to measure and map global air pollution from space, and an X-ray astronomy experiment.

Engineers familiar with Clark said the project ran into problems when subcontractors had trouble building and testing some instruments that proved more technically complex than expected. In addition, they said, a number of subcontractors were acquired by other companies during the development period, and personnel changes, combined sometimes with cost-cutting measures or relocating of sites, resulted in schedule delays.

Because regular reporting to NASA was not required and each satellite program had only one person at NASA headquarters monitoring it instead of a team, the agency was not aware of many problems with Clark until last year, when it initiated several reviews, officials said.

The agency terminated the Clark mission in February, citing launching schedule delays and rising costs.

Lewis had a different set of problems, but shared one with Clark.

Both contractors selected the same new rocket to launch their satellites, the Lockheed Martin Launch Vehicle. Development of the rocket was delayed for two years when it went out of control on its first flight in 1995.

TRW delivered Lewis on time, and the total cost to NASA ended up being $64.8 million, within contract terms.

In a report issued in June, an independent failure review board told the space agency that Lewis had failed because the attitude control system used to keep it stable in space was flawed in design and testing.

TRW adapted the design from that of another spacecraft, but did not adequately take in consideration that Lewis was oriented in space differently from the other satellite. As a result, the control system could not sense some of the satellite's spinning motion and failed to correct it.

Joanne Maguire, vice president of TRW's space and laser program division, said the company reviewed its procedures after the failure and was updating several.

"The lessons learned from Lewis are paying dividends to all of our programs," Ms. Maguire said.

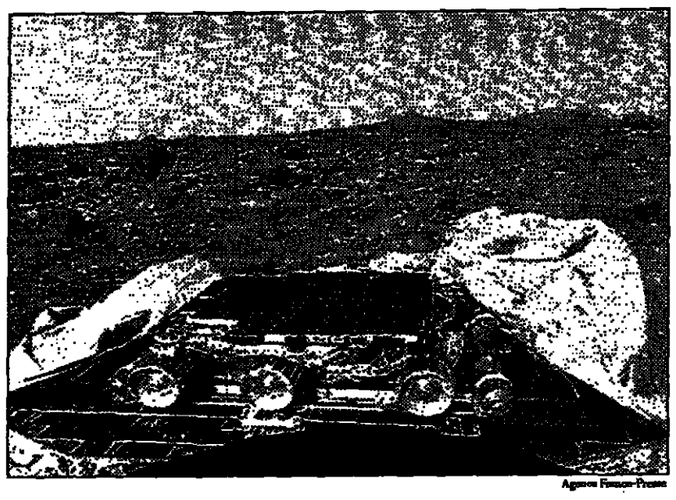
Mr. Asrar of NASA said the agency was ultimately responsible for assuring that project objectives were met and "our assurance process was ineffective in this case."

The agency's Office of the Chief Engineer is putting together a "lessons learned" report on Lewis and Clark, as well as other "faster, better, cheaper" projects, in hope of finding the optimal way to manage them, he said.

The agency is moving toward what he called "light touch management" for such programs, which includes two major reviews during the course of each project and not giving contractors so much autonomy. This is in contrast to old-style project management, which often included a half-dozen reviews and daily interaction with NASA, he said.

"This process is new, and we are still learning," Mr. Asrar said.

For information about NASA programs, see:
www.nasa.gov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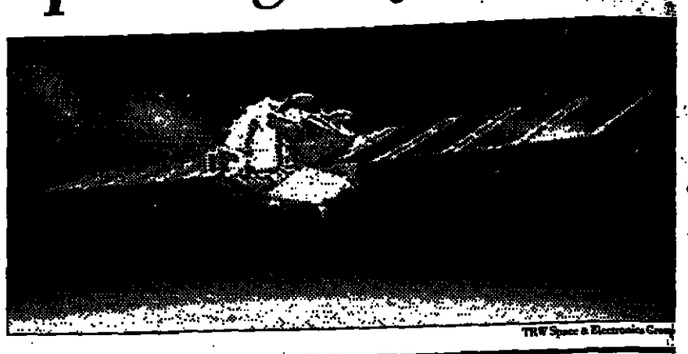
TRW Space & Electronics Group

One success and one failure: In pursuit of its new "faster, better, cheaper" philosophy, NASA sent its Pathfinder mission to Mars, left, which was a stunning success in July 1997. But its Lewis satellite, above, fell out of orbit and burned up in the atmosphere after being sent into space a month later.

TECHNOLOGY INDEX

A glance at technology stock indexes around the world

North America	Tuesday close	% change previous week	% change year to date
Pacific Stock Exchange Technology	317.25	0.04	9.19
Standard & Poor's Technology Composite	876.80	1.66	25.27
Europe			
Morgan Stanley Eurotec	596.53	1.06	54.86
Asia			
Topix Electric	1519.64	3.98	-7.57

Source: Morgan Stanley, Bloomberg News

For technology articles from the past week, see the Technology Index on the IHT's World Wide Web site at http://www.iht.com. *Articles include:*

- Microsoft's Defense: Rivals Do What We Did, Sept. 11
- Web Lets Americans Judge Clinton's Behavior Instantly, Sept. 12-13
- Ailing Toshiba to Cut 6,000 Jobs, Sept. 12-13
- Internet's Historic Day, Sept. 13
- Tellabs Gives Up on Plan to Acquire Ciena, Sept. 15
- NTT Mobile to List Its Shares in IPO Valued at 1 Trillion Yen, Sept. 15
- Intel Looks to Broaden Focus Beyond Chips Sept. 16
- Thomson-CSF Plans Major Restructuring, Sept. 16

To reach TribTech editors or to comment on IHT technology coverage, send e-mail to tribtech@iht.com.

International Herald Tribune

BRIEFLY

A REAL DEAL FOR INTEL: In an agreement announced Wednesday, Intel Corp. said it would license its advanced video-compression software to Real Networks Inc., a developer of programs that deliver audio and video over the Internet.

Beyond the expectation that Intel's technology will improve the performance of Real Network's software, the deal is seen as further evidence of growing cracks in the so-called Wintel duopoly, the cooperative relationship under which Intel's microprocessors and Microsoft Corp.'s operating systems have long dictated the direction of the personal-computer industry.

In the Real Networks deal, Intel is sharing its technology with a Microsoft competitor in an area that is thought to be crucial to the future commercialization of the Internet.

Real Networks says that about 30 million people now use its software. That is believed to give it a substantial lead over Microsoft, which developed a competing technology, known as Netshow, then hedged its bets by paying tens of millions of dollars for an equity stake in Real Networks.

Although the Intel-Real Networks deal does not include an Intel investment, both companies are calling it "strategic." Intel will license its compression technology for use in the newest version of Real Networks' multimedia software, Realvideo GE, which is now in testing. Real Networks' "streaming" software delivers audio or video in a stream of bits as it is being heard or watched. *(NYT)*

CHINA PREPARES TO LEAP FORWARD: The government has drawn up plans to address the millennium bug problem, the official Xinhua news agency reported Wednesday.

The China Securities Exchange Commission has ordered the stock markets in Shanghai and Shenzhen and the country's securities firms to undertake an exercise in which they turn their computers' clocks forward to Jan. 1, 2000, to see whether the machines operate normally.

The exchange commission has scheduled four comprehensive test runs for the securities and futures industries, and companies that fail to pass the test will be deprived of their licenses, the Xinhua report said.

The "2000 bug" stems from the inability of older computer systems to deal with four-digit years in dates.

The machines are expected to malfunction when they mistake the first day of the next century for Jan. 1, 1900.

Xinhua said the State Council this month released a timetable calling for the government to fix its systems by March 31 and to complete a series of checks and tests by September 1999. *(AFP)*

PALMTOP: Hewlett-Packard Co. unveiled the latest of its "information appliances," a handheld device that scans and stores documents so they can be sent via electronic mail.

The CapShare 910 is aimed at business travelers who need to transmit copies of contracts, newspaper articles or receipts to their offices.

The CapShare, which will sell for $699, is part of the company's effort to increase its information-appliance business as computer sales slow. Hewlett-Packard is also trying to find more uses for its extensive printer and scanner technology. *(Bloomberg)*

FLATTER AND CLEARER: International Business Machines Corp. will announce that it has achieved a breakthrough in computer-monitor technology, a flat-panel screen that produces four times the resolution of other desktop monitors.

The quad-resolution display screen produces images as discernible as — and in some cases clearer than — they are when printed on paper.

A prototype of the screen was demonstrated last week in New York by members of IBM's research division, which developed the device under the name Roentgen, after the physicist who discovered X-rays.

The Roentgen uses liquid-crystal display technology similar to the screens on notebook computers and existing flat-panel monitors. But it employs more than 15.7 million transistors to pack 40,000 pixels into every square inch of screen area. That is four times the number of pixels per square inch in a standard monitor and twice the number used in the new high-definition television screens just entering the market. A pixel is the smallest image-forming unit of a video display.

The Roentgen prototype has a diagonal viewing area of 16.3 inches (41.4 centimeters), is only 2.5 inches thick and weighs less than a third of a typical cathode-ray tube monitor.

"The market wants to go in that direction," Ed Buckingham, an analyst with the IDG research firm, said. The big question mark, he said, would be when, at what price and in which market the Roentgen would be introduced.

For example, he said: "The medical market will be big for this product. The need to produce X-rays digitally and other diagnostic tools that require extremely high resolution mean that in medicine, price will not be a big deal." *(NYT)*

WASHINGTON'S 'INFOCOMM CLUSTER': The information-technology industry in Washington has become so big, with more than 328,000 employees, that it rivals the size of the region's federal work force, a study showed.

The study, by the Potomac Knowledgeway, portrays the greater Washington region as a global center of the information technology, telecommunications and Internet industries — the "Infocomm Cluster," according to the study's authors.

The companies range from Internet access providers such as UUNet Technology Inc. to World Wide Web content creators such as the Smithsonian Institution and the National Geographic Society as well as equipment manufacturers, satellite communications and software-services companies and government computer systems contractors.

There are 340,000 federal employees in Washington.

Applying its definitions to the American economy, the study said the 328,000 employees represented 11 percent of the nation's total employment in these kinds of industries. That is much higher than the region's 2 percent share of nationwide employment. *(WP)*

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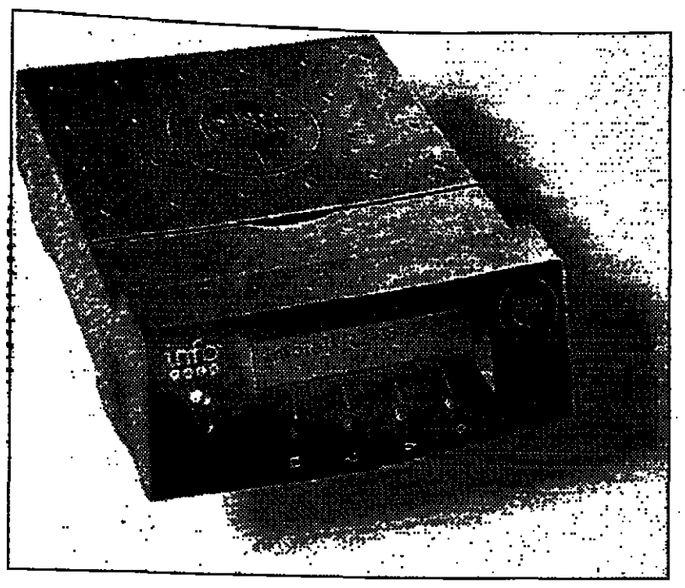


Innomedia's gray box that allows virtually free phoning on the Internet.

Phoning on the Net: Frustrating but Cheap

By Thomas Crampton
International Herald Tribune

BANGKOK — For $199 each, the Singapore-based company Innomedia sells a small gray box that sits under the telephone and allows you to call people with a corresponding unit, long-distance via Internet, virtually for free. Simple to set up, the system works from almost any country in the world, and for many users the unit would easily pay for itself in less than a month based on the savings.

So why shouldn't everyone buy Innomedia's Internet phone?

Unpredictable delays.

In a series of tests conducted from Thailand making Infotalk calls to Singapore, Malaysia, Taiwan and the United States, the delay between finishing a sentence and hearing the response was at least five seconds.

At its worst — in calls between Thailand and Malaysia — the delay lasted as long as 30 seconds, forcing callers to punctuate the end of each sentence with a CB radio-style "over."

To be fair, telephoning between Asian countries via Internet pushes the technology to the limits. Some countries in the region have national firewalls, and most do not have direct Internet links with one another, forcing calls to be routed via the United States.

Unpredictable delays are still a major problem.

Calls made to the United States or within countries with good Internet infrastructures can have delays of less than a second but still face the fundamental weakness that the Internet was not actually designed for talking.

While a standard phone call effectively wires together two telephones, sounds sent via the Internet are broken into morcels of data that are sent separately, like packages through a postal system. Once enough packages arrive at the other end, they are reassembled into sounds.

When the Internet is clogged with too much data, some packages get delayed. The quality of Internet calls within the United States, for example, noticeably declines each afternoon as thousands of high school and university students return home from classes and log onto the Web.

Long-distance telephone companies that use the Internet try to send their calls along the least crowded routes.

Infotalk uses a proprietary data compression method and the unit's 2-megabyte memory buffer to speed up and smooth out voice transmission. When Internet traffic is heavy, voices stop abruptly in midsentence for a moment before picking up again, much like a needle being lifted off a record momentarily.

Improved methods of routing data could eventually give Internet phone calls better quality than normal international calls.

But for now, the delays make units such as Infotalk and competing products ill-suited for conducting sensitive business negotiations. Such units could, however, be ideal for slashing telephone bills between far-flung company offices or allowing family members to stay in touch regularly for a fraction of the standard phone rate.

To use the system, you and the person you are calling both need an Infotalk unit hooked up to the telephone, as well as a standard Internet account each.

Setting up the unit is remarkably simple. It requires plugging phone lines into the unit just like an answering machine and then entering the details of your Internet account using the telephone keypad.

For this nontechnical user, the whole process took about 45 minutes from opening the box to making the first successful Internet phone call.

Infotalk's documentation is clear, thorough and very well thought out. The instructions take users through a simplified setup that quickly allows Internet phone calls before going back to explain more involved procedures, such as creating a list of frequently called numbers.

Once plugged in and programmed, the machine is easier to use than a videocassette recorder.

To use the Internet for long-distance calls, you dial a regular call to another person with an Infotalk unit. Once connected, either person can press the number sign on the telephone's keypad to signal that the call should be switched onto the Internet.

The machines then make a low chirping noise for a few moments while they identify one another, hang up the standard long-distance call, dial through to their respective local Internet number and find one another again on the Internet. The standard-rate long-distance call lasts about 30 seconds, and, after about two or three minutes, the machine beeps loudly to signal that the conversation can be continued for the cost of an Internet connection.

For the most part, the Infotalk unit did not affect normal operations of my telephone. It coped well with the fact that I had hooked it up on the same line as my fax, answering machine and cordless phone. Infotalk's fundamental weaknesses are the Internet itself and the fact that it relies on proprietary compression technology, requiring both users to buy a unit built by Innomedia.

As the technology develops, Internet telephones will get a common communication standard — much like fax machines — and people will be able to talk between units purchased from rival companies.

Until then, Infotalk offers a simple means for nontechnical users to save on their long-distance bills by calling through the Internet to friends who own the same unit.

■ IBM Focuses on Internet Links

International Business Machines Corp. said it would introduce technology to allow people to make phone calls over the Internet, as part of the company's strategy to focus on software and Internet products, Bloomberg News reported from Armonk, New York.

IBM, the world's biggest computer maker, also is working with IDT Corp., which provides phone services at discount prices by sending voice traffic over the Internet. IDT's software is geared toward consumer users.

IBM wants to get a jump on a market that is expected to mushroom to $2.5 billion in sales in 2004 from $49 million today, according to Forrester Research.

SITES

Find out about IDT's services at:
www.idt.com

More information about Innomedia's Internet phone, Infotalk, and services can be found at:
www.innomedia.com

Information on Netphone, another Net phone provider, can be found at:
www.netphone.com

ALT/Commentary

Sending E-Mail – and Paying Postage?

By Victoria Shannon
International Herald Tribune

PARIS — At a technology forum here last week, a lot of experts gave a lot of prognostications about the future of the Internet.

Bill Gates of Microsoft Corp. talked about Windows taking over the world of Internet appliances, Scott McNealey of Sun Microsystems Inc. ventured that Java would take over the world of Net operating systems, and Ray Lane of Oracle Corp. predicted that network computers would simply take over the world.

But the most controversial forecast, perhaps deliberately so, came from Bob Metcalfe, an industry pioneer and legend, during the last half-hour of the three-day International Data Corp. conference.

Mr. Metcalfe's name might be familiar as the guy who invented Ethernet, a networking technology that helped transform computing. Perhaps he is better known as the founder of 3Com Corp., the telecommunications equipment company. But in the future, he may be associated with the idea of a pay-as-you-go Internet. That's what he thinks the Net needs to evolve into. "We need to pay postage on the e-mails that we send," he said at the conference. "We need to pay for the Web downloads that we do. We need to pay for the bandwidth we consume. And paying flat fees for all of this is not a sound basis for an economically viable Internet."

He would like to eliminate the ubiquitous $19.95-a-month, all-you-can-eat charges people have become accustomed to in favor of metered Internet use. The idea would be considered blasphemy to the early adopters of the Internet, who believed it would be a free international network for research and communications. But the World Wide Web has, since its 1991 beginnings, instead become a lure for people and companies who see it as a conduit for commerce.

"Most of us are very negative about metering because we've lived in a world dominated by telephone companies," said Mr. Metcalfe, who is a vice president at International Data Corp. But he argued that paying for each minute of use is not what people resent; rather, he said, it is the phone companies' charging "extraordinarily high prices" that "really upsets us."

Mr. Metcalfe is hypothesizing that a pay-as-you-go Internet would involve "micro" prices and payments, tiny fractions of a cent per e-mail or download. He sees two critical benefits to this system.

"One is that paying as you go deters waste," he said. "One reason that we have spam today is that it costs nothing to send spam," he added, using the industry slang for junk e-mail. "One way to really cut back on spam is to charge e-postage."

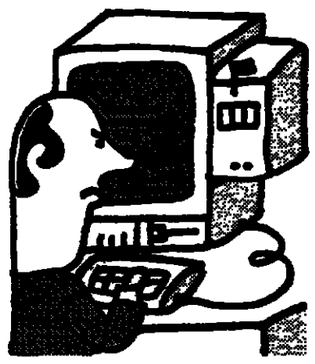
The other major reward, he said, "is that we could fund capacity growth." The Internet's capacity "needs to be growing," he said, "and if people pay for what they use, then that's classic communication between supply and demand."

"You'll often hear people say that the Internet wouldn't exist if postage had been charged on e-mail all these years," he said, but he added, "We don't have to keep running it the way we did when it first started."

It's easy to argue with his premise. Won't this make the Internet inaccessible to the world's poorer citizens?

That, he says, would be like arguing that we shouldn't use money at all because it creates inequities.

Instead, he proposes to solve the haves vs. have-nots problem a different way, perhaps by giving money to the have-nots so they can buy Internet resources, "rather than have the Internet be on an uneconomic basis."



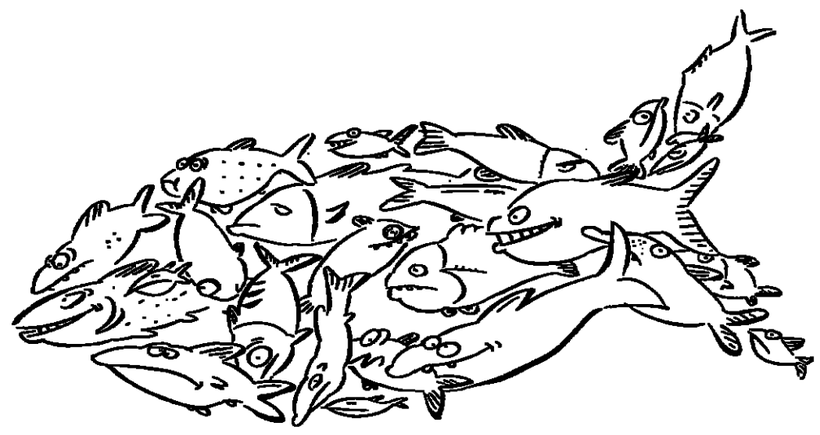
Stuart Goldenberg

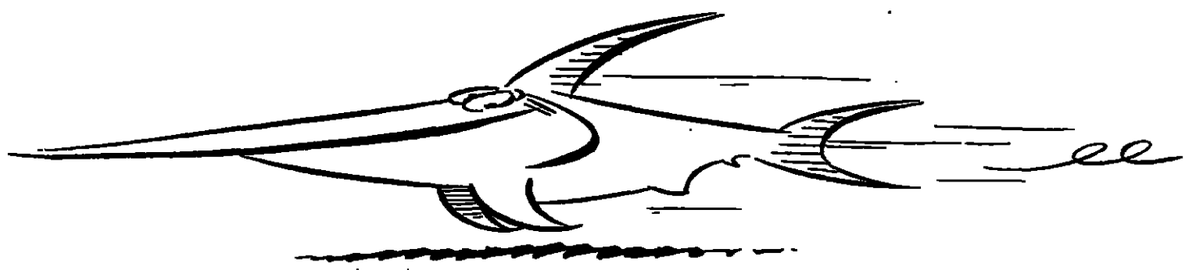
He also raised another possibility: "It is possible that advertisers would be willing to pay our e-mail bills. I'm simply saying that there should be e-mail bills to be paid."

His take on the future is worth some thought. But those who oppose metering the Net, take heart. It will be some time before anyone can come up with a system able to handle a pay-as-you-go Internet. Mr. Metcalfe estimated that it would take about 10 years.

Mr. Metcalfe stressed that it wouldn't be the government being paid the e-postage, but rather the mail servers and Internet service providers.

Victoria Shannon can be e-mailed at vshannon@aol.com.





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MORE THAN A CONNECTION

German Opposition Takes a Spin

By Edmund L. Andrews
New York Times Service

FRANKFURT — Until recently, Detmar Karpinski's biggest accomplishment was advertising Lucky Strike cigarettes. Today, he is producing one of the slickest and most American-style political advertising campaigns that Germany has ever seen.

Hired by the Social Democratic Party and its candidate for chancellor, Gerhard Schroeder, Mr. Karpinski has created a media campaign that is an artful dance between cozy images of a happy Germany and edgy criticism of Chancellor Helmut Kohl.

A commercial playing in movie theaters shows four astronauts in a Star Trek setting about to be "beamed" to another planet. When the beaming is over, one astronaut is left behind and he turns out to be a corpulent and befuddled Mr. Kohl. The message: the 68-year-old chancellor is "not ready for the future."

In a blitz on television, on billboards and in glossy magazines, Social Democratic ads combine images of gauzy warmth with a sneaky punchline. Billboard posters, aimed a provoking fears about cuts in health care, show a blond boy whose smile reveals a missing tooth. "We don't want to tell the difference between rich and poor just through a smile," reads the caption.

A magazine ad centers on an aging, framed photograph of children and the slogan: "You should have more in your retirement than memories."

These and a barrage of other ads mark a major departure from the dull and didactic fare that have usually graced German political campaigns. They are also a far cry from the old-school ads for Mr. Kohl, whose most ubiquitous campaign poster features his picture and the slogan "World Class for Germany."

Mr. Schroeder and his campaign managers have adopted techniques used by Ronald Reagan, Bill Clinton and Tony Blair. They have focused relentlessly on feelings rather than facts. They have carefully boned their themes based on market research. And they began mapping their strategy more than 18 months ago, before Mr. Schroeder even became the party's official candidate in the election, which is set for Sept. 27.

"The SPD had an image that was somewhat old-fashioned and needed to be modernized," said Mr. Karpinski, creative director for KNSK-BBDO, a Hamburg advertising agency, referring to the Social Democrats. "One had the impression that they didn't really want to win an election, that they just wanted to be in the opposition."

Advertising plays a much smaller role in Germany than in the United States. The Social Democrats say they are spending about 40 million Deutsche marks ($23.7 million) on paid advertising, though Mr. Kohl's party, the Christian Democrats, insist the spending is much greater. Their own spending, they say, is about $30 million.

But the Social Democrats say they have systematically used advertising, sometimes to illustrate a new stylishness. The clever and fast-paced advertising is meant to appeal to younger and more video-savvy voters who have grown up watching MTV. Indeed, party officials used the first wave of campaign posters for the sole purpose of showing them to journalists.

Negative political advertising has been almost nonexistent here. Though Germany's high unemployment rate under Mr. Kohl is the Social Democrats' most important theme, party officials say that attack ads would have alarmed voters.

Instead, Mr. Karpinski has produced a campaign loaded with happy images and with a critical message at the end. One television ad describes the things people strive for and shows families and children, hikers and bicyclists, playgrounds and modern factories. The screen then abruptly goes black, and a message reads: "But 4 million unemployed Germans can't."

"Negative advertising can work, but it would be wrong in this country," said Mr. Karpinski. "We didn't want to frighten people with attack ads. We wanted to make them comfortable with the party, so the images you see are always positive an optimistic."

Indeed, Mr. Kohl and the Christian Democrats briefly tried negative advertising but quickly retreated. Known as the "red-handed" campaign, Christian Democratic billboards warned darkly that the Social Democrats might join forces with the successor to East Germany's old Communist Party, the Party of Democratic Socialism.

Peter Moeller/Reuters

A worker in Hannover pasting up a campaign poster for Gerhard Schroeder, the Social Democratic candidate.

In Poll, Kohl Narrows the Gap With Schroeder

Reuters

BONN — Chancellor Helmut Kohl's Christian Democrats narrowed the gap with Gerhard Schroeder's Social Democrats, to three points from five points, according to a survey of voters by the Infratest-Dimap institute released Wednesday.

The poll of 1,100 voters showed that the Christian Democrats had risen one percentage point from a week earlier, to 38 percent of the vote.

The Social Democrats dropped one point, to 41 percent.

The poll was the second survey published since the Christian Social Union, Mr. Kohl's Bavarian sister party, scored a solid victory in a state election in Bavaria on Sunday.

A survey by the Forsa institute, published Tuesday, had Mr. Kohl's party cutting the gap from six percentage points to three — also 41 percent to 38 percent. Mr. Kohl has trailed Mr. Schroeder by up to 12 percentage points in surveys over the last six months.

Mr. Kohl is running for a fifth term as chancellor in the Sept. 27 election.

The popularity of Mr. Kohl's coalition partners, the Free Democrats, was unchanged at 5 percent, while the Greens, a likely coalition partner of the Social Democrats, were steady at 7 percent. The Party of Democratic Socialism, the former East German Communists, was unchanged at 4 percent.

DUB: *A Strike Silences the Voices of Movies and Television in Italy*

Continued from Page 1

try to recruit nonunion dubbers from northern Italy but would not release the movies with subtitles.

"Italians aren't used to seeing movies in the original version," he said. "They just won't go."

Dubbing in Italy has its own odd history. In the 1930s, the Fascist government required that foreign films be dubbed to drown out the sound of the enemy language. After the war, John Wayne Westerns and American comedies flooded Europe. But particularly in Italy, where the literacy rate was very low, audiences could not read subtitles.

Italian dubbers consider themselves artists on a par and sometimes better than many of the movie stars they serve.

The strikers complain that since the advent of private television networks, the demand for dubbing has increased, and so has the number of dubbers. Quality lost out to quantity, as companies scrambled to dub countless soap operas, sitcoms and old movies, hiring anyone who would work for less than the going rate, as much as 30 percent below the minimum union wage.

Major movie studios still hire the top professionals to do the voices of Tom Hanks or Jack Nicholson. But when it comes to television and commercials, the strikers say, smaller companies are less scrupulous. Most of the production companies say they are willing to increase fees but so far have balked at signing a labor contract and promising royalties.

Time and mass culture may be on the strikers' side. Even young moviegoers drenched in American pop culture are reluctant to see films with subtitles.

"I studied English in school but I still don't know it well enough to watch a movie," said Ludovica Gasparini, a university freshman, as she emerged from seeing Wes Craven's latest horror movie, "Scream 2," in Italian. "I would hate to see it with subtitles and think that I was missing something beautiful."

SAFETY: *U.S. Crash Investigation Methods Are Popular Export*

Continued from Page 1

the negative publicity that surrounded the botched investigation of the 1985 crash of a charter aircraft filled with U.S. troops at Gander, Newfoundland.

The Canadian board's engineering laboratory in Ottawa, which is examining the cockpit voice recorder and flight data recorder of the Swissair plane, is recognized as one of the best in the world.

The well-traveled Mr. Feith is the leader of a team of U.S. investigators who are aiding the Canadian government. Under International Civil Aviation Organization rules, the United States has been included in the inquiry because the flight originated in the United States and the Swissair plane, a McDonnell Douglas MD-11, was U.S.-built.

Most of the 10-member U.S. team arrived a couple of hours after dawn on the morning after the crash, hours before the official Canadian team, which actually had farther to travel.

The Americans pitched in to help two regional Canadian safety board investigators who were all but lost amid the mass of Canadian Coast Guard and Royal Canadian Mounted Police rescuers, volunteer fishing boat crews, and others who had turned the coastal hamlet of Peggy's Cove into a scene of chaos. Off the coast, underneath 180 feet (55 meters) of water, lay the wreckage of a crash that promises to be one of the most complicated investigations of the jet age.

The U.S. safety board has had a lot of experience lately with underwater crashes, including the fiery plunge of ValuJet Flight 592 into the Florida Everglades, and the explosion of Trans World Airlines Flight 800 over the Atlantic Ocean, both in 1996.

Major airline crashes in Canada have been rare. The last crash of a large airliner before Swissair 111 was in 1985 at Gander.

As in many U.S.-Canadian matters, diplomacy is necessary to avoid feelings that the big country to the south is attempting to take over the Swissair investigation. For the most part, the U.S. team has made no public show of its presence, a standard operating procedure in foreign countries.

Still, Mr. Feith, with his classic good looks, sometimes inadvertently creates a sideshow to the investigations, drawing fan mail from women who want to meet him. Mr. Feith gained a nickname he will never live down during the ValuJet investigation when the Miami news media began calling him "the Mud Stud."

The rest of the team may not be as high-profile as Mr. Feith, but its investigators have perhaps 150 years of aviation and investigative experience among them.

One of them, Frank Hilldrup, will be doing the same job in Nova Scotia that he did in the TWA 800 investigation, living aboard the U.S. Navy salvage ship Grapple, examining every piece of wreckage that it hauls from the deep.

Jeff Guzzetti, an aircraft systems specialist, is on shore to help coordinate the investigation as pieces arrive. John O'Callahan is an aircraft performance engineer who will help determine exactly how the plane acted in the air, combining radar, radio and flight data recorder information.

One of the world's experts in flight data recorders, Dennis Grossi, is in Ottawa at the Canadian safety board's engineering lab, helping read out the data recorder that was recovered on Sunday. Mr. Grossi will help the Canadians create a computer animation of the plane's final descent.

Two former MD-11 pilots, Paul Misencik and David Tew, were included in the group.

And rounding out the team were three family aid specialists, Gary Abe, Sharon Bryson and Frank Ciaccio. They left after a few days when it became apparent that the Canadians and Swissair were doing well in handling family matters.

ECONOMY: *Greenspan Plays Down Talk of Global Cut in Rates*

Continued from Page 1

percent during the afternoon. Brazil, which has seen significant outflows of money in recent days, was hurt both by the waning chances of a global rate cut and by Mr. Rubin's refusal to confirm that there are plans to help the country defend its currency, the real.

In response to a question from Mr. LaFalce, who asked if the United States would "draw the line in Brasilia" to "arrest any further devaluation" in the real, Mr. Rubin said, "I think it is probably premature to comment on specifics."

He did say that Brazil, whose large economy is important to Latin American stability, "has been subject to intense focus."

Brazil's financial markets also had been encouraged by reports that its finance minister said the International Monetary Fund and the Group of Seven industrial nations were considering a $26 billion line of credit to Latin American countries. Bloomberg News quoted the minister, Pedro Malan, as saying from Brasilia that the credit would be made available to calm investor concern that Latin American nations might default on its obligations, as Russia recently did.

Much of the presentations by Mr. Greenspan and Mr. Rubin consisted of calls to developing countries to reform their economies. Mr. Rubin said the economic crisis that began last summer in Thailand "has now affected countries around the globe."

He added that while there are differences from nation to nation, "there have been some common deep seated problems, usually, but not always, centering on badly flawed financial systems."

Mr. Greenspan warned against compounding existing problems by imposing capital controls in an effort to limit the effect of financial speculation.

"Endeavors now to block repatriation of foreign funds, while offering temporary cash flow relief, have significant long-term costs and clearly should be avoided, if at all possible," Mr. Greenspan said.

Mr. Rubin lobbied the representatives to increase U.S. funding to the IMF, although he admitted that the administration "has been focused for some time now on the need for reforms" at the international lending agency. Several of the committee members criticized the IMF for imposing inappropriate programs on some indebted countries and wasting money on its support of Russia.

The Treasury secretary also said that "the rest of the world looks to the United States, as the world's indispensable nation, to show global leadership at times like these."

That statement came as President Bill Clinton is beset by problems relating to his relationship with Monica Lewinsky, a former White House intern, and could have been an attempt to focus attention on global problems.

In fact, Mr. Clinton hinted on Monday that he favored a reduction of interest rates, repeating an earlier warning from Mr. Greenspan that the United States could not be "an oasis of prosperity" in an unsettled world. That comment was referenced several times in the question-and-answer session after Mr. Greenspan and Mr. Rubin made their statements.

Ugandans to Stay in Congo

Museveni Criticizes Kabila for Relying on Other Foreigners

The Associated Press

KAMPALA, Uganda — Ugandan troops will remain in neighboring Congo to protect Uganda's security interests, despite protests from Kinshasa, President Yoweri Museveni said Wednesday.

"Our troops will remain there until there is a regionally agreed model for peace," General Museveni told Parliament in addressing legislators' concerns about the role of Ugandan troops in the six-week-old Congo rebellion.

President Laurent Kabila of Congo claims that Uganda and Rwanda are behind the revolt. Both countries deny direct involvement in the uprising of disgruntled military officers, including ethnic Tutsi who were instrumental, along with Rwanda, in the rebellion that put Mr. Kabila in power in 1997.

The current rebels accuse Mr. Kabila of nepotism and corruption.

General Museveni, himself the leader of a five-year bush war that brought him to power in 1986, criticized Mr. Kabila for calling in troops from Zimbabwe, Angola and Namibia to save the Congolese capital, Kinshasa, from capture by the rebels.

"We have been facing a lot of problems during our time in power, but we never called in foreigners," he said.

General Museveni said Mr. Kabila must drop his opposition to peace talks with the rebels.

Mr. Kabila allowed Ugandan troops to enter northeastern Congo about a year ago to flush out Alliance of Democratic Forces rebels camped at the base of the Ruwenzori Mountains. Those rebels were attacking western Uganda.

Mystery of Jupiter Rings Solved

Washington Post Service

WASHINGTON — Images from NASA's Galileo spacecraft have revealed for the first time the process by which nature decorates some planets with rings, scientists reported.

The pictures show that Jupiter's swirling rings, which are not visible from Earth, are being fed with dust kicked up by a rain of meteoroids, streaking in at 100 times the speed of a .22-caliber bullet and bombarding the surfaces of the giant planet's four tiny inner moons, Metis, Adrastea, Amalthea and Thebe.

The inner moons, ranging from 16 to 106 miles (25 to 170 kilometers) in diameter, "have so little gravity that when something hits them, stuff comes flying off," a Galileo scientist, Joseph Veverka of Cornell University, said in an interview Tuesday.

Researchers from Cornell and the National Optical Astronomy Observatories in Tucson, Arizona, presented the findings at a Cornell briefing carried live on the Internet.

Scientists have speculated for centuries about the origins of planetary rings, particularly the more flamboyant and easily seen system that encircles Saturn, another giant gas planet. Now, at least for Jupiter, they know the answer.

BRIEFLY

U.S. Editors Object To Effort to Draft A Journalist 'Code'

WASHINGTON — American newspaper editors are protesting an international journalism conference in Turkey this weekend as "hostile to press freedom" because it aims to come up with a worldwide code of ethics for journalists.

But the chief organizer at the World Association of Press Councils, Oktay Eksi, a Turkish journalist, says he hates government interference with the press as much as Americans do and is offended by the Americans' response.

Mr. Eksi accused the American Society of Newspaper Editors on Tuesday of trying to stop the conference without understanding its goals.

The conference is to open in Istanbul on Saturday. *(AP)*

Colombian Assails A Political Murder

BOGOTA — President Andres Pastrana has denounced the murder of a leading congressman, calling it a chilling act of violence that robbed Colombia of a dedicated public servant and patriot.

The police said gunmen on a motorcycle had shot Jorge Humberto Gonzalez, head of the Labor Affairs Committee of the House of Representatives, as he sat in an all-terrain vehicle at a red light in central Medellin.

The gunmen sped off, and Mr. Gonzalez died in a hospital. *(AP)*

Israel Sees Hate In Egypt's Media

JERUSALEM — On the 20th anniversary of its breakthrough peace accord with Egypt, Israel issued a report Wednesday on what it said was pervasive anti-Semitism in the Egyptian media.

The 11-page document, produced by the Government Press Office, said that anti-Semitic stereotypes, comparisons of Israel with Nazi Germany and a denial of the Holocaust campaign to kill Jews in World War II were recurring themes in the official Egyptian press. *(AP)*

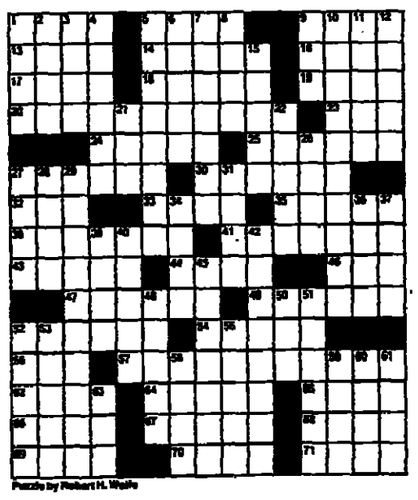
CROSSWORD

ACROSS

1 Unguent
5 A prisoner may enter one
9 Russia's Sea of ...
13 Omnium-gatherum
14 —— grudge (harbored resentment)
16 Slayton of Apollo 18
17 Thrashes
18 Perfectionist's aim
19 Progress impeder
20 Fear an English philosopher's family?
23 40's war agcy.
24 "... — believe it!"
25 1972 Broadway debut
27 1965 Peace Prize recipient
30 Showily enthusiastic
32 Seoul soldier
33 Latin conjugation word
35 Gradually remove
38 Peace of mind
41 Anthology
43 Like a sleeping bag
44 Soler of soaps
46 Suffix with guitar
47 Dundee design
48 Take turns
52 Massage parlor offering
54 Year in Marcus Aurelius's reign
56 Pulitzer-winning writer Akins
57 English philosopher not yet arrived?
62 White chip, often
64 Michael of "Flashdance"
65 Hayworth's royal hubby
66 Convoy components
67 Derby Stakes site
68 Chisholm Trail town
69 C.O.N.T.R.O.L. enemy
70 Eyelid problem
71 Puts on

DOWN

1 Bareface
2 Banned spray
3 Greenish
4 Subway tunnel art, maybe
5 Communication from an Alexandrian philosopher?
6 Gave false hopes
7 Sophocles subject
8 One of the Aleutians
9 Spots
10 Fear of an ancient Greek philosopher?
11 Rain forest ruminant
12 Non-meat-eater
15 Beth's preceder
21 W.W. II gen.
22 Mythical bed-woman
26 —— passu (equably)
27 Orsk's river
28 "Don't look at me!"
29 Declaration about unhanding a German philosopher?
31 Heaps
34 Hess who was a dame
36 Composition of some clouds
37 Borgia in-law
39 Caboose
40 Tight as ——
42 Era of a German philosopher?
46 Overlay, in a way
48 Delmonico alternative
50 Ab —— (from day one)
51 Teed off
52 —— National Forest, Ark.
53 Conquest of Croesus
55 "Quo Vadis?" director Mervyn
58 Cry over spilled milk
59 "That's awful!"
60 Kind of a drag
61 Bounds
63 River's path, possibly



Puzzle by Robert H. Wolfe

© New York Times/Edited by Will Shortz

Solution to Puzzle of Sept. 16

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See our **Friendships** every Saturday in The Intermarket

ASIA: *Recession and Its Woes Deepening*

Continued from Page 1

Its pace of growth for the first half of 1998 slowed to an official 7 percent, the lowest since 1991.

The Chinese government tried to maintain its 8 percent growth target for this year — in part with a plan to increase home ownership across the country — but had to scale back that ambition because of the fallout from the surrounding region.

Even Taiwan, which has become an important potential source of capital throughout the region, now predicts its growth will reach 5.3 percent, compared with 6.8 percent in 1997.

The agony of Indonesia is virtually in a class of its own.

Millions are slipping below the poverty line. In the first half of this year, Indonesia's economy was officially estimated to have shrunk, on an annual basis, by 12.2 percent. For the year, the government says the fall in output is expected to be 13 percent, but private economists say it could be as severe as 20 percent.

Falling currencies make the declines much more stark in dollar terms. While all the statistics at this point are somewhat dubious, the Indonesian government has said that in dollar terms, output per person is expected to fall to $436 in 1998, from $1,055 in 1997.

"I don't think Europeans or Americans could really understand how bad things are," said Simon Mahadevan Flint, a Singapore-based economist who is head of research at IDEA, an independent economic consulting group. The Indonesians, he said, "are experiencing massive contractions in the economy from an already low base, with extensive discrepancies between rich and poor."

People who had moved out of mud huts and into wooden shacks as the economy surged have now been thrown back into the fields, he said.

Indonesia's economic crisis has been compounded by political turmoil, which in turn has brought about deeper economic troubles. The banking system has essentially halted. Many corporations simply cannot repay their loans, and those that can are not doing so, partly because the banks to which they owe money may not be around much longer.

The result is that bad debts are swelling to as much as one-fourth of all loans, according to some economists.

In such a chaotic environment, relying on traditional economic measures is extremely difficult. Official figures for unemployment in Indonesia have not been made public recently, but economists working from anecdotal evidence say it is skyrocketing and could reach 25 percent or perhaps even 40 percent of the labor force in urban areas next year.

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Herald International Tribune

BUSINESS/FINANCE

THURSDAY, SEPTEMBER 17, 1998

In Asia, Rethinking Free Markets

By Thomas Crampton
International Herald Tribune

BANGKOK — As economic pain mounts in the world's developing nations, political leaders are retreating in growing numbers from their commitment to free-market trade and currency policies, economists and analysts warn.

Increasingly, emerging economies in Asia and around the world are reconsidering their openness to global markets and wondering whether to take measures similar to those taken in Malaysia and Hong Kong in recent weeks, they say.

"Political reasons will oblige governments with economic problems to step back a little bit to placate their constituents," said Supachai Panitchpakdi, Thailand's commerce minister, in an interview. "The danger is that once you start the ball rolling backwards or stalling liberalization, then others will follow suit. It becomes something like competitive devaluation."

Mr. Supachai said he supported the widely criticized currency controls recently imposed by Prime Minister Mahathir bin Mohamad in Malaysia, calling them "reasonable" and "understandable."

He added: "There is some truth to what Mahathir is saying, that sometimes there has been excessive speculative movement, not based on the weaknesses of our economies. I see it as a temporary measure."

Mr. Supachai is a highly respected economist in Asia and the West and is a contender to head the World Trade Organization, the Geneva-based free-trade body. His voice adds weight and credibility to the support expressed in the region for the capital curbs put in place by Malaysia.

But Mr. Supachai's is just one voice in a rising chorus.

"One must sympathize with Kuala Lumpur's effort to defend itself from what it sees as a kind of global laissez-faire capitalism which is going out of control," said Fidel Ramos, former president of the Philippines, in a speech early this week.

China offered praise Wednesday for Malaysia's tactics even as it vowed to stamp out speculation on its own currency. "We believe that it is understandable and permissible under international covenants for a nation to return to exchange controls briefly to reverse a serious worsening of the balance of payments," the spokesman for the State Administration of Foreign Exchange said, according to the People's Daily.

Capital controls also received a nod of approval in the annual United Nations Trade and Development report that was released Wednesday.

"Controls will remain an indispensable part of developing countries' armory of measures for the purpose of protection against international financial instability," the report said.

The major industrial countries continue to oppose capital controls.

Gordon Brown, Britain's chancellor of the Exchequer, said Wednesday that developing countries taking unilateral actions toward financial markets as a substitute for reform would "damage the prospects for their own economies and the world system," a thinly veiled criticism of Malaysia.

But Mr. Brown, who was speaking to bankers in Tokyo, acknowledged that short-term capital flows could be "destabilizing." He urged developing countries to be more open in the conduct of their economic policy to enable foreign investors to better assess the risk of lending. He also said developing countries should exercise caution in liberalizing their economies and ensure that banking and financial systems were sound before opening up to the free flow of foreign capital.

A major international agency lent support to the idea of capital controls Wednesday, however. The United Nations Conference on Trade and Development said in its annual report that sound economic policies and prudent banking regulation and corporate governance had taken years to establish and could not insulate countries from speculative attacks, which are often triggered by external events such as rises in U.S. interest rates.

The agency said capital controls "will remain an indispensable part of developing countries' armory" against financial instability. It also urged the International Monetary Fund to sanction debt standstill agreements for developing countries in crisis, similar to Chapter 11 of the U.S. Bankruptcy Code, which gives debtors a chance to reorganize their finances.

These views sharply contrast comments made by such champions of glob-

See TURMOIL, Page 18

Paul Lakatos/International Herald Tribune

Mr. Supachai, a widely respected economist, said he supported Malaysia's decision to impose currency controls.

A Key Reformer Is Said to Break With Primakov

By Celestine Bohlen
New York Times Service

MOSCOW — An outspoken proponent of free enterprise is reported to have left the Russian government, removing one of the last strong voices for free-market economics in the team being put together by Prime Minister Yevgeni Primakov.

The status of the official, Boris Fyodorov, a former finance minister who returned to the government in the spring to spearhead an aggressive tax-collection drive, has been closely watched here and abroad as a clue to whether the Primakov government will represent a range of economic views or will tilt heavily toward policies favored by the Communists.

Mr. Fyodorov's departure was announced by Alexander Shokhin, a centrist who accepted a job Tuesday as deputy prime minister in charge of finances. In a televised interview Tuesday night, Mr. Shokhin said he would stay on only if he could influence government policy, especially to modify policies that, in his view, would lead to hyperinflation.

Mr. Fyodorov's office would not confirm the resignation. But he was not present at a meeting between Mr. Primakov and representatives of the International Monetary Fund.

In the last two weeks, while Russia was caught in political paralysis, Mr. Fyodorov, as acting deputy prime minister and a figure well known to Russia's Western partners, stepped forward with a program designed to ease the country gently to strict currency controls.

That program has since been dismissed as foolish by Russia's new central bank chairman, Viktor Gerashchenko, who regularly battled with Mr. Fyodorov over monetary policy four years ago, during Mr. Gerashchenko's earlier spell as central bank chairman and when Mr. Fyodorov was finance minister.

On Tuesday, Mr. Gerashchenko reopened the dispute, saying he was in favor of printing more money to pay off months of unpaid wages. "We can't do without that," he said.

Mr. Primakov, accompanied by Mr. Shokhin, told representatives of the IMF that his government would not halt Russia's process of change but would adopt policies to protect social welfare and spur industrial production.

He also assured John Odling-Smee, the IMF official leading the talks with Russia, that Moscow intended to meet its domestic and foreign debts.

Signs that Russia will revert to inflationary policies have raised doubts about whether the IMF will deliver its next installment of $4.3 billion in credits to Russia this fall, part of a package approved in July during the early stage of Russia's financial crisis.

At the government's request, a team of veteran Russian economists — advisers to Mikhail Gorbachev during the waning years of communism — has presented its economic plan, a plan that one Russian newspaper summarized as "emissions, emissions and more emissions" — meaning printing currency.

In his interview on television Tuesday night, Mr. Shokhin, a former economy minister and head of the party Our Home Is Russia in Parliament, said that a mass printing of rubles would be disastrous, leading to hyperinflation.

With each passing day, Russia's economic situation worsens as the ruble continues its wild gyrations and shops regularly sell out of goods.

"We are on the edge of a financial collapse," Mr. Shokhin said, noting that Russia's banking system is at a halt, with payments, salaries and tax collections frozen.

Russian Credit Rating Is Cut

Compiled by Our Staff From Dispatches

MOSCOW — Standard & Poor's Corp. on Wednesday cut its rating on Russian long-term foreign-currency debt for the fourth time since June, amid growing concern that the country will default on its dollar debt.

The ruble, meanwhile, suffered its biggest one-day decline ever, and the stock market fell to a record low.

S&P, a U.S.-based credit-rating concern, cut the rating to CCC-minus from CCC, reflecting the country's deteriorating ability to pay back debts denominated in foreign currencies as weakness in the ruble persists. The rating is nine steps below investment grade and below the ratings of countries such as Indonesia and Pakistan. S&P has 10 levels of investment-grade ratings and 10 levels below investment grade, or "junk."

The dollar rose to 12.45 rubles from 11.95 rubles the day before, according to the Russian central bank rate. But over the counter, banks traded the ruble at 13.50 to the dollar, hinting that more bad news was in store.

The benchmark RTS stock index closed down 3.17 points, more than 5 percent, at 58.86 points, a record low.

The new deputy prime minister of Russia, Alexander Shokhin, said the country was unlikely to receive further money from the International Monetary Fund. An IMF delegation is holding talks in Moscow on the disbursal of a second installment of a $22.6 billion loan package, but "the prospects of receiving the second tranche are not very rosy," Mr. Shokhin said.

As the ruble falls, prices are rising ever higher. After a monthly inflation rate of 15 percent in August, prices rose 43 percent in the first two weeks of September, the state statistical office said Wednesday. That suggests an annual rate of almost 1,500 percent. *(Bloomberg, AFP)*

INTERNATIONAL MANAGER

Other CEOs Have Flings, Not Regrets

By Kirstin Downey Grimsley and Jay Mathews
Washington Post Service

WASHINGTON — During their nightly mastication of the Clinton sex scandal, one army of television pundits argues that a business executive who behaved as the president did would be terminated immediately. Shouts from the other side: No, they say, the president is being singled out for punishment as no corporate chief would be.

In fact, American corporate bosses are typically forgiven for questionable sexual behavior, according to lawyers and management experts who specialize in harassment cases, and especially when it concerns consensual sex.

Even when sexual misdeeds qualify as harassment, executives often get away with the kind of behavior that changing mores have turned into a firing offense for workers lower down the food chain.

Although thousands of sexual harassment lawsuits have been filed nationwide, many including allegations of egregious misbehavior at top management levels, only a handful of chief executives have been dismissed as a result.

Though management experts are increasingly critical of liaisons involving top executives and subordinates are increasingly viewed as hurting —saying they hurt morale and can end sourly amid charges of sexual harassment or perceived favoritism — they concede that such affairs are almost impossible to stamp out for deep-rooted biological, social and financial reasons.

"I don't know of any situation where there has been an extramarital affair, that is consensual and kept from the public, where it's been deemed inappropriate conduct for a leader," said Freada Klein, a consultant on sexual harassment.

When consensual sex involves older, powerful men and younger subordinate women, married or unmarried, the men are accorded boasting rights, not shame or humiliation.

"Based on what we've seen, with rare exceptions, nothing happens to the CEO," said Ellen Bravo, executive director of 9to5, National Association of Working Women, which tracks corporate sexual misbehavior cases. "He's too important."

No matter how serious the charges, "I've never seen a single CEO lose his job," said James (Bo) Bolus, a Louisville employment lawyer who has brought more than 100 sexual harassment cases.

Sexual involvement with a subordinate can even add to an executive's mystique. One of the most envied men in Silicon Valley is Larry Ellison, 54, chief executive of Oracle Corp. One of the richest men in California, he is the thrice-married lothario of the pocket-protector set, frequently attending business events with a young subordinate on his arm. Some of his relationships have been with Stanford University alumnae in their first real jobs.

Mr. Ellison has apparently suffered no repercussions from his behavior and remains widely respected for his innovations in the computer industry. Oracle representatives declined to comment.

The tobacco giant Philip Morris Cos. enjoys a reputation for good management, but in a 1996 sexual harassment trial involving behavior at the company's cigarette plant in Louisville, the company conceded that extramarital hanky-panky had occurred.

Attorneys for the women bringing suit contended that widespread romantic liaisons between top executives at the plant and their female subordinates created an atmosphere in which low-level male workers felt similarly invited to request sexual favors. The lawyers presented evidence that at least 13 romantic liaisons occurred between top managers and lower-level women employees.

An attorney for Philip Morris, Douglas Becker, said in his opening statement that the company did not prohibit interoffice relationships. "Now you might say that's not a good business practice, and maybe not," he said. "That's the way we run our business."

Even costly sexual harassment lawsuits don't seem to unseat executives. For decades, Dan Wassong, chief executive of the Long Island-based Del Laboratories Inc., was known inside the cosmetics company for his unusually aggressive personal manner. In 1992,

See SEX, Page 15

CURRENCY & INTEREST RATES

Cross Rates

Sept. 16

	$	£	DM	FF	Lira	DFl	BF	SF	Yen	C$	Peseta
Amsterdam	1.9085	3.197	1.1278	0.3363	0.1142*	—	5.467*	1.3685	1.4145*	1.268	1.338*
Brussels	34.89	58.47	20.629	6.1518	2.088*	18.2915	—	25.02	0.258	23.19	24.29*
Frankfurt	1.6971	2.845	—	0.2982	0.1012*	0.8868	4.8425*	1.2215	1.2529*	1.1268	1.1774*
London (a)	1.6578	—	1.835	0.5111	2.080.597	1.5975	58.4888	2.2358	226.8587	2.5218	240.7467
Madrid	144.132	240.319	84.933	25.328	8.588*	75.315	4.1172	102.877	106.574*	95.705	—
Milan	1,676.26	2,804.54	987.75	294.57	—	876.93	47.883	1,196.47	12.395	1,113.05	11.63
New York (b)	—	1.6785*	1.4739	0.4005*	1,634.08	1.9899	34.90	1.3932	135.30	1.5134	144.185
Paris	5.6806	9.520	3.3534	—	0.3395*	2.9726	8.1626	4.0618	4.2878*	3.7846	3.946*
Tokyo	134.25	224.52	79.48	23.68	9.004	70.41	3.86	96.31	—	89.22	0.9397
Toronto	1.507	2.5279	0.8914	0.2653	0.0897*	0.7902	0.0317*	1.0838	1.1169*	—	0.1049*
Zurich	1.277	2.3405	0.8249	0.2459	0.0835*	0.7316	4.0844*	—	1.0341*	0.9226	0.971*
1 ECU	1.1563	0.6906	1.9222	0.5799	1,938.20	2.3128	40.476	1.6399	154.373	1.3412	144.653
1 SDR	1.3648	0.8147	2.3176	0.7097	2,284.54	2.6404	47.9936	1.9084	183.995	2.0574	196.683

Closings in Amsterdam, London, Milan, Paris and Zurich; fixings in other centers; New York at 4 P.M. and Toronto rates at 3 P.M.
*a: To buy one pound; b: To buy one dollar. *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	290.91	Mex. peso	10.11	S. Afr. rand	6.1225
Australian $	1.6821	Hong Kong $	7.7463	N. Zealand $	1.9677	S. Kor. won	1375.
Austrian sch.	11.937	Hung. forint	219.47	Norw. krone	7.5443	Swed. krona	7.8159
Brazil real	1.179	Indian rupee	42.47	Phil. peso	43.77	Taiwan $	34.56
Chinese yuan	8.2785	Indo. rupiah	10975.	Polish zloty	3.58	Thai baht	40.78
Czech koruna	30.57	Irish £	0.6797	Port. escudo	173.84	Turkish lira	274110.
Danish krone	6.4695	Israeli shek.	3.843	Russ. ruble	9.6117	UAE dirham	3.6726
Egypt. pound	3.4035	Kuw. dinar	0.3037	Saudi riyal	3.7505	Venez. boliv.	588.25
Fin. markka	5.1636	Malay. ring.	3.80	Sing. $	1.7215		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6702	1.6676	1.6650	Japanese yen	134.77	134.19	133.63
Canadian dollar	1.5063	1.5052	1.5059	Swiss franc	1.3969	1.3924	1.3880
Deutsche mark	1.6946	1.6917	1.6890				

Sources: ING Bank (Amsterdam); KBC Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto). IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Sept. 16

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5⅞ - 5¾	3⅞ - 3⅞	1⅞ - 1⅞	7¼ - 7⅛	3¼ - 3⅛	⅜ - ½	4⅛ - 4⅛
3-month	5⅞ - 5¾	3⅞ - 3⅞	1⅞ - 1⅞	7⅛ - 7⅛	3⅜ - 3⅜	⅜ - ⅜	4 - 4⅛
6-month	5¾ - 5⅝	3⅞ - 3⅞	1⅞ - 1¾	7⅛ - 7⅛	3⅜ - 3⅜	½ - ⅜	3⅞ - 4
1-year	5⅞ - 5¾	3½ - 3⅜	1⅞ - 1⅞	6⅞ - 7⅛	3½ - 3⅜	½ - ⅜	3⅞ - 3⅞

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Today	Prev
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds	5⅝	5⅝
90-day CDs (dealer)	5.43	5.42
180-day CP (dealer)	5.22	5.22
ML 30-day R-A	5.02	5.02

	Price	Yield	Prev
3-month T-bill	4.61	4.72	4.78
1-year T-bill	4.54	4.76	4.79
2-year T-note	100-22	4.74	4.73
5-year T-note	102-13	4.60	4.68
7-year T-note	114-12	4.87	4.86
10-year T-note	105-23	4.87	4.88
30-year T-bond	104-03	5.23	5.26

Japan	Close	Prev
Discount rate	0.50	0.50
Call money	0.24	0.28
1-month interbank	0.60	0.60
3-month interbank	0.65	0.65
6-month interbank	0.67	0.67
10-year Govt bond	0.98	0.99

Germany		
Lombard rate	4.50	4.50
Call money	3.45	3.44
1-month interbank	3.45	3.45
3-month interbank	3.47	3.46
6-month interbank	3.57	3.54
10-year Bund	4.00	3.99

Britain		
Bank base rate	7½	7½
Call money		7⅞
1-month interbank	7⅞	7⅞
3-month interbank	7⅞	7⅞
6-month interbank	7⅛	7⅛
10-year Gilt	5.12	5.12

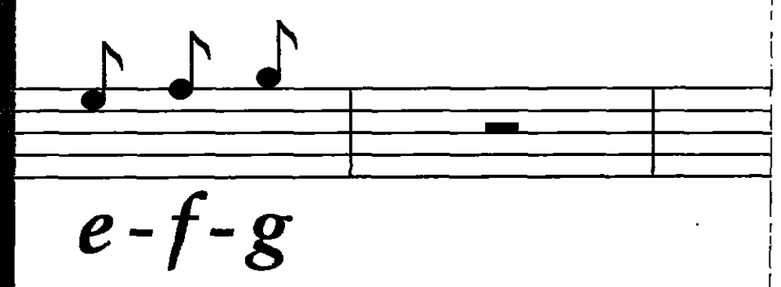
France		
Intervention rate	3.30	3.30
Call money	3⅜	3⅜
1-month interbank	3⅞	3⅞
3-month interbank	3⅞	3⅞
6-month interbank	3½	3½
10-year OAT	4.16	4.15

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	288.90	—1.40
London	289.15	288.25	—2.40
New York	292.70	293.00	Unch.

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.



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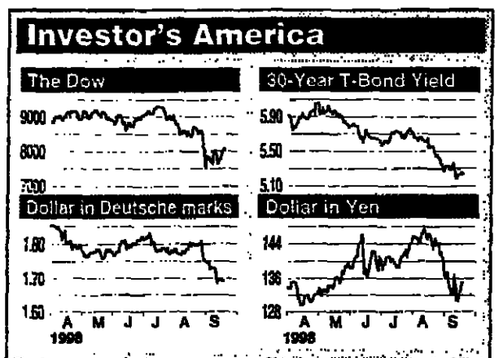

Exchange	Index	Wednesday @4PM	Prev. Close	% Change
U.S.	The Dow	8089.78	8024.39	+0.81
U.S.	S&P 500	1045.48	1037.65	+0.75
U.S.	S&P 100	507.98	504.70	+0.65
U.S.	NYSE Composite	518.05	513.92	+0.80
U.S.	Nasdaq Composite	1689.91	1678.11	+0.70
U.S.	AMEX Composite	629.13	624.28	+0.78
Toronto	TSE Index	5966.30	5857.50	+0.83
São Paulo	Bovespa	6790.07	6905.58	-1.67
Mexico City	Bolsa	3414.68	3414.89	-0.01
Buenos Aires	Merval	368.60	369.67	-0.29
Santiago	IPSA General	3077.63	3064.06	+0.44
Caracas	Capital General	2940.47	2857.07	+2.92

Source: Bloomberg, Reuters — International Herald Tribune

U.S. Tells Japan It Will Pitch In

Washington Says It Can Absorb Trade Deficits to Help Asia

The Associated Press

TOKYO — The United States is prepared to suffer massive trade deficits with hard-hit Asian nations to help the region cope with its financial turmoil, according to Stuart Eizenstat, a U.S. undersecretary of state.

"We're prepared to bear that responsibility," he said Wednesday while visiting Tokyo with the U.S. trade representative, Charlene Barshefsky. "It is a severe responsibility. We're prepared to bear it because we think that's one of the contributions we can make."

The economic meltdown in Asia has plunged companies into bankruptcy and pushed millions of people into poverty. Many industries desperate for markets for their exports are looking to the United States for sales and hard currency.

While Mr. Eizenstat said the United States would do its best to absorb products from struggling Asian nations, Washington is also looking to Japan — which has a ballooning trade surplus — to do some of the buying.

"Japan is in a very different situation than the Asian economies who are flat on their back and who desperately need to export in order to grow," Mr. Eizenstat said.

Ms. Barshefsky began talks with Japanese trade officials Wednesday to pressure Tokyo to import more and to rein in its trade surplus with the United States. The purpose of the U.S. officials' visit is to discuss such trade issues ahead of a meeting between President Bill Clinton and Prime Minister Keizo Obuchi of Japan, set for Tuesday in New York.

Mr. Eizenstat acknowledged that the U.S. trade deficit with Japan was soaring this year. But he pointed to that as an example of the United States taking on a responsibility to keep the world economy afloat.

He called on Japan, in turn, to do more to get its own economy back on track and to help neighboring economies.

"We don't think it's too much to ask others to bear their share of responsibility as well," Mr. Eizenstat said. "Our two countries — the world's largest economies — have a special responsibility to show leadership at this time of global financial turmoil."

Stressing that the two nations were speaking as "friends," Mr. Eizenstat urged Japan to act quickly to fix the problem of bad debt in its banks by using public funds to prop up weak but viable lenders, improving financial disclosure and closing bankrupt institutions.

He also said Tokyo must ease government restrictions to open up its markets and encourage Japanese consumers to spend more. "Every day of delay brings greater risks for the health of the world economy," Mr. Eizenstat said.

In meetings scheduled to continue Thursday, Ms. Barshefsky will press her Japanese counterparts to speed the opening of several markets, including glass and auto parts, U.S. and Japanese officials said. She also is expected to prod Japan to give more business to U.S. telecommunications, computer and construction companies.

A Steadfast Clinton Bolsters Wall Street

Compiled by Our Staff From Dispatches

NEW YORK — Stocks rose Wednesday after President Bill Clinton said he did not intend to resign and would give his full attention to domestic and foreign affairs.

The Dow Jones industrial average finished 65.39 points higher at 8,089.78, and the Standard & Poor's 500 index ended 7.80 points higher at 1,045.48. Gaining issues outnumbered losing ones by a 3-to-2 ratio on the New York Stock Exchange.

Mr. Clinton's comments reassured investors about the future of the government's economic policies. The president has been under fire since an independent counsel's report alleged he committed various offenses in connection with an affair with a former White House intern.

Mr. Clinton's comments helped the Dow reverse a slide caused by comments from Alan Greenspan, the chairman of the Federal Reserve Board.

In testimony before the House Banking Committee, Mr. Greenspan dashed speculation that industrial nations would cooperate in cutting interest rates to combat a global economic slowdown.

Mr. Greenspan's remarks "pour cold water on the expectation of a Fed rate cut," said James Griffin, investment strategist at Aeltus Investment Management.

Expectations for lower rates had grown since Sept. 4, when Mr. Greenspan said distress in overseas economies could hurt the United States.

"People were expecting some indication that he was in an easing frame of mind, and clearly what he did say was not what people were looking for," said Bill Chenoweth, portfolio manager at Nicholas-Applegate.

Mr. Greenspan's comments spurred buying in the Treasury bond market, where the price of the benchmark 30-year issue rose 17/32 point, to 104 5/32. The yield fell to 5.22 percent from 5.26 percent Tuesday.

Despite the easing of the threat that Mr. Clinton would not finish his term, the stock market remains dogged by worries about the impact that a slowing global economy will

U.S. STOCKS

have on U.S. corporate profits. Gillette fell 4 13/16 to 40 3/16 after warning that third-quarter sales would drop from the year-ago period because of recessions in Asia and slowing economies in Latin America.

Exxon fell 1 7/16 to 69 13/16 on prospects for crude oil prices to remain weak as global demand sags.

Aeroquip-Vickers, which makes components for automotive and aerospace companies, fell 7¼ to 33½ after warning that its third-quarter profit would not meet analysts' expectations. The company also blamed economic problems in Asia.

"The symptoms that have caused the global economy to slow are at our shores," said James Welch, a bond manager at Back Bay Advisors LP. "Slower corporate profits and ultimately a negative stock market could force the Fed to lower interest rates."

But some multinationals are expected to weather the economic storm and do well, including General Electric, which rose 1 13/16 to 79⅝.

MCI WorldCom was the most actively traded U.S. issue, rising 1 9/16 to 46 1/16. WorldCom completed its takeover of MCI Communications this week.

Yahoo, the Internet search company that will replace MCI in the Nasdaq 100-stock index, rose 9 to 93⅜. *(Bloomberg, AP)*

Very briefly:

- **Toys 'R' Us Inc.**, the world's largest toy retailer, will take a charge of $495 million to close as many as 90 stores, shut distribution centers and renovate its remaining stores as it seeks to cut costs and compete with discount chains such as Wal-Mart Stores Inc.
- **America Online Inc.** agreed to sell three of its women-oriented services to a new venture formed by Geraldine Laybourne, the former head of cable television operations for Walt Disney Co. and ABC, who will develop them for the on-line service's new Women's Channel.
- **Motorola Inc.** said it was halting construction of a $3 billion computer-chip plant near Richmond, Virginia, because of low prices and slumping demand for semiconductors. Construction, which was delayed once before amid a 1997 chip-market decline, will stop within days and be halted indefinitely.
- **The United States** is loosening export controls on advanced data-scrambling technology for the insurance, health-care and on-line industries, Vice President Al Gore said. In recent months, top executives from major technology companies have been meeting with members of Congress to write laws that would ease restrictions on the exporting of encryption software. *Bloomberg, NYT*

Japan's Fragility Undermines Yen

Market News

NEW YORK — The dollar rose against the yen Wednesday on further bad news about Japan's ailing banking sector and comments from U.S. Treasury Secretary Robert Rubin.

The credit-rating concerns Standard & Poor's Corp. and Moody's Investors Service Inc. put a number of Japan's major banks on watch for a possible downgrade.

Gridlock in Japan's Parliament over banking-sector reform leaves little hope that remedies will come in the near term, said Ben Strauss, a trader at Bank Julius Baer.

Additionally, talk of Japanese corporate exposure to Russian debt weighed further on the yen.

Mr. Rubin told the House Banking Committee on Wednesday that Japan must take "swift, strong fiscal action," a statement that some traders took as an excuse to capitalize on a weak Japan.

The dollar rose to 135.20 yen in late trading from 134.02 yen Tuesday.

But the dollar was mixed against European currencies as expectations lingered that the U.S. Federal Reserve Board might cut interest rates to head off a domestic downturn.

Remarks by Federal Reserve Chairman Alan Greenspan did little

FOREIGN EXCHANGE

to dissuade the market of that perception, traders said, although his comments before Congress made no specific reference to U.S. rates. He said that there was currently no endeavor to coordinate rate cuts.

"He knows the market is thinking along those lines, and still he has not inserted any comments that would burst that bubble," a trader at a U.S. money-center bank said.

The dollar rose to 1.6939 Deutsche marks from 1.6925 DM on Tuesday but slipped to 1.3932 Swiss francs from 1.3957 francs. It also gained to 5.6805 French francs from 5.6670 francs, but the pound rose to $1.6785 from $1.6765.

Venator, Shifting Its Footing, Will Close 570 Shoe Stores

Bloomberg News

NEW YORK — Venator Group Inc. said Wednesday that it would close 570 Kinney and Footquarters stores and dismiss some of its 4,600 workers as it shuts its money-losing dress and casual shoe chains to focus on selling sneakers and sports apparel.

Venator, formerly Woolworth Corp., said it would take a $173 million charge against third-quarter earnings as it closed 467 Kinney and 103 Footquarters stores by the end of the year. The New York-based company also said it expected to earn no more than 5 cents a share in the quarter ending Oct. 31 because of weaker-than-expected back-to-school sales.

The move to close two shoe chains is the latest of two dozen major restructuring initiatives spearheaded by Chairman Roger Farah, who has transformed the 119-year-old company, renowned for its dime-store chain F.W. Woolworth, into a sporting-goods retailer.

Venator decided to close its mainstream shoe business as sales slowed and losses mounted.

"After taking a hard look at the long-term viability of the business," Mr. Farah said of the shoe operations, "it became clear that these businesses would not be able to return to profitability in the near future."

Venator said its specialty footwear business — which encompasses Kinney and Footquarters — had a $35 million operating loss on sales of $207 million in the six months ended Aug. 1. That compares with a $12 million operating loss on sales of $533 million in the like period last year.

Venator said it would convert about 60 stores to Lady Foot Locker, Kids Foot Locker and Colorado stores, some of its sporting-goods chains.

The company said it did not expect the charge to eat into its cash flow in the next two years. Venator stock was 6.25 cents higher, at $10.625, in late trading Wednesday.

Venator canceled an agreement to buy Sports Authority Inc. for stock last week because a slide in its shares had nearly halved the value of its original $760 million offer.

The Trib Index

Prices as of 4:00 P.M. New York time.

Jan 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	175.50	+1.15	+0.66	+1.97
Regional Indexes				
Asia/Pacific	72.41	+0.18	+0.25	−24.63
Europe	212.10	+1.90	+0.90	+9.87
N. America	237.31	+62.34	+35.63	+9.87
S. America	87.96	−1.35	−1.51	−42.39
Industrial Indexes				
Capital goods	238.06	−1.99	−0.83	+15.24
Consumer goods	216.87	+1.07	+0.50	+3.40
Energy	193.84	−1.76	−0.90	−0.57
Finance	116.22	+2.07	+1.81	−5.48
Miscellaneous	145.36	−0.34	−0.23	−3.02
Raw Materials	166.78	+0.11	+0.07	−0.28
Service	192.42	+2.47	+1.30	+10.39
Utilities	162.06	−0.37	−0.23	−2.88

The International Herald Tribune World Stock Index © tracks the U.S. dollar value of 280 internationally investable stocks from 25 countries. Compiled by Bloomberg News.

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AMEX

Wednesday's 4 P.M. Close

The 200 most traded stocks of the day, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Sept. 16, 1998

Indexes

Dow Jones

	Open	High	Low	Last	Chg
Indus	8026.13	8100.92	7992.85	8089.78	+65.39
Trans	2892.34	2901.55	2831.94	2884.12	+30.43
Util	294.64	297.77	293.26	293.66	+2.70
Comp	2545.27	2586.91	2534.99	2586.43	+30.81

Standard & Poors

	Previous High	Previous Low	Previous Close	Today 4 P.M.
Industrials	1234.72	1220.32	1234.16	1239.44
Transp.	611.42	587.07	610.24	616.16
Utilities	247.16	242.99	247.16	249.16
Finance	113.12	109.16	113.12	115.72
SP 500	1037.90	1021.42	1037.68	1045.48
SP 100	508.64	497.74	504.73	507.98

NYSE

	High	Low	Last	Chg.
Composite	518.17	511.09	518.05	+4.13
Industrials	641.18	633.49	641.18	+5.69
Transp.	477.44	471.58	475.85	+4.61
Utility	377.91	371.59	377.91	+2.11
Finance	472.15	462.75	471.20	+8.45

Nasdaq

	High	Low	Last	Chg.
Composite	1693.44	1672.44	1689.91	+11.80
Industrials	1069.64	1060.01	1066.22	+6.88
Banks	1776.74	1746.08	1777.82	+42.44
Insurance	1545.31	1511.53	1523.37	+8.34
Finance	2270.75	2202.97	2271.56	+8.64
Transp.	873.38	863.74	864.77	-8.79

AMEX

	High	Low	Last	Chg.
	629.44	624.28	629.13	+4.85

Dow Jones Bond

	Close	Chg.
20 Bonds	105.71	+0.13
10 Utilities	103.22	-0.03
10 Industrials	108.21	+0.30

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
Gillette s	141920	45⅝	39⅞	39⅞	-5⅛
HillHost	14083	80	69¾	72	-⅛
Lucent s	130740	77⅞	68⅞	76⅝	+11⅝
GenElec	115482	81⅛	78⅛	79⅞	+1⅛
Disney s	93675	26	25⅝	25⅞	+⅛
Compaq s	92984	33⅝	31⅝	32	-⅞
PhilMor	91881	45⅝	43⅝	45⅝	+⅝
Travelers s	78216	44⅝	42⅞	43⅝	+⅝
Citicorp	85214	120⅝	115⅝	120⅝	-1
CitiTrav	77361	159⅞	153⅞	159⅞	-⅞
ChaseMk s	74032	51⅝	48⅝	49⅝	+⅝
TelMex s	71352	43⅝	42	42	-1
AmOnline s	68779	102⅝	94⅞	102⅝	+4⅞
LoraGo	65944	14⅝	13⅝	14⅝	+1⅛
Boeing	55801	34⅝	34	34⅝	+⅝

Nasdaq

	Vol.	High	Low	Last	Chg.
MCI WM	205289	47⅝	45⅝	47⅛	+1⅝
DellComr s	194654	66⅝	59⅝	66⅛	+7⅛
Cisco s	148810	65⅝	63⅛	64⅝	+⅛
Oracle s	143977	19⅝	17⅝	17⅝	-⅝
Yahoo	121928	95⅝	85	93⅝	+9
Intel	105201	82⅝	80⅝	82	+⅝
Microsft s	103624	118⅝	106⅝	108⅝	-⅝
CelcTel s	97288	31⅝	29⅝	29⅝	-1⅝
Sprint	90989	67⅝	64⅝	67⅝	+1⅝
3Com	73442	38⅝	35⅝	38⅝	+3⅝
WA Mutl s	64242	39⅝	37⅝	39⅝	+2⅝
Amgen s	63363	80⅝	77⅝	80⅝	+11⅝
AmMedHl	55343	9⅝	7⅝	9⅝	+2⅝
ChancMed s	51344	32⅝	31	32	+1⅝

AMEX

	Vol.	High	Low	Last	Chg.
SPGR	107913	105⅝	103⅝	105	+⅝
Hasbro	12818	23⅝	20	20⅝	-⅝
Quaker s	10115	19	17⅝	18⅝	+⅝
Rexall g	9651	⅝	⅝	⅝	+⅛
Mylan	8828	61⅝	59	61⅝	+⅛
AirLease	8862	21⅝	17⅝	21⅝	+4⅝
CmpBrd	3386	⅝	½	⅝	+⅛
CSK Intl pf	3278	6	6⅝	6⅝	+1⅛
Metcalf	3000	17	16⅝	16⅝	-⅝
DJIA Dtm	4973	81⅝	79⅝	81⅛	+1⅝

Trading Activity

NYSE	Close	Prev.
Advanced	1844	1753
Declined	1214	1312
Unchanged	424	417
Total issues	3582	3482
New Highs	30	31
New Lows	150	178

AMEX	Close	Prev.
Advanced	222	208
Declined	177	212
Unchanged	177	135
Total issues	577	555
New Highs	4	6
New Lows	28	21

Nasdaq	Close	Prev.
Advanced	1959	1897
Declined	1536	2117
Unchanged	1219	1105
Total issues	5014	5119
New Highs	11	12
New Lows	146	264

Market Sales

	Today	Prev.
	4pm	close
NYSE	794.37	866.37
Amex	39.84	31.84
Nasdaq	682.38	644.82

In millions.

Dividends

Company	Per Amt	Rec	Pay
IRREGULAR			
Mllnn Mnnl Term	.1017	10-5	10-28
Mllnn Mnn Term II	.0542	10-5	10-28
Philips Intl Rlty	.3375	10-1	10-15
STOCK			
United Nfl Bncp	10%	10-15	11-2
INCREASED			
Bestfoods Q	.245	9-30	10-23
Brady,W H A, Q	.16	10-9	10-31
One Valley Bncp Q	.24	9-30	10-15
United Nfl Bncp Q	.20	10-15	11-2
OMITTED			
Fst Palm Beach c			
c- pending merger with Republic Security			
Fincl.			
Krenze Rlty d			
d- 1 share of New America Intl has been cancelled.			
REDUCED			
Dynex Capital Q	.25	9-30	10-31
Strategic Glb Inco M	.0866	9-25	9-30
INITIAL			
Commerce Bn NJ	.195	10-6	10-20
Thistle Grp Hold	.05	9-30	10-13

Company	Per Amt	Rec	Pay
REGULAR			
Ameritech Q	.50	9-30	11-2
CCF Holding Q	.16	10-1	10-15
Camden Prop Q	.505	9-30	10-16
Cigna Hl Inco M	.0675	9-28	10-9
Cina Bnd Q	.10	10-7	11-2
Fst Bncp NC Q	.15	9-30	10-26
Reg Fincl Q	.06	9-23	10-1
Fleetwood Enterpr Q	.118	10-2	11-10
Frankfort Fst Bn Q	.23	9-30	10-15
Giant Indust Q	.05	9-24	9-30
Harbor Fed Q	.13	10-1	10-9
High Inco Opport M	.069	10-27	10-30
High Inco Opport M	.069	11-27	11-27
High Inco Opport M	.069	12-31	12-31
HoMakers USA, Q	.09	9-25	10-27
Kranzco Rlty Q	.05	9-28	10-21
Leeds Fedl Q	.14	9-30	10-21
Methode El A&B, Q	.05	10-15	10-30
Mlnn Muni Inco Pt M	.0657	10-5	10-28
Mlnn Muni Term M	.0509	11-4	11-24
Natl Rlty LP, Q	.125	9-25	9-30
Oak Hill Fin Q	.07	9-25	10-15
Pep Boys Q	.065	10-12	10-26
Saver Inc Q	.07	9-30	10-15
Second Bncp OH, Q	.13	10-15	10-30
Union Nfl Bncp Q	.11	9-23	9-30

c-annual; h-semiannual amount per share/ADR; q-payable in Canadian funds; m-monthly; q-quarterly; s-semiannually.

U.S. Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - P/E exceeds 99.99 - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued. ww - with warrants. x - ex-dividend or ex-rights. xds - ex-distribution. xw - without warrants. y - ex-dividend and sales in foll. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Grains

CORN (CBOT)
5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Sep 98	201½	197¼	197¼	-1	3,220
Dec 98	213	208½	208¾	-1½	180,730
Mar 99	225¼	221	221½	-1½	61,922
May 99	232¼	228½	228¾	-1½	22,790
Jul 99	239	234¾	235	-1½	31,135
Sep 99	245	241¼	241¼	-1¾	5,308
Dec 99	253¾	250½	250½	-2	13,519

Est. sales 60,000 Tues sales 47,270
Tue's open int 318,977, off 3,049

SOYBEAN MEAL (CBOT)
100 tons- dollars per ton

	High	Low	Latest	Chge	Opint
Sep 98	133.10	128.20	128.90	-4.10	3,559
Oct 98	132.60	128.20	128.90	-3.20	24,216
Dec 98	135.80	131.00	131.50	-3.30	46,446
Jan 99	136.00	133.00	133.40	-3.30	14,895
Mar 99	141.30	137.00	137.50	-3.40	13,446
May 99	145.50	141.00	141.20	-3.30	7,369

Est. sales 25,000 Tues sales 21,223
Tue's open int 140,180, up 1,162

SOYBEAN OIL (CBOT)
60,000 lbs- cents per lb

	High	Low	Latest	Chge	Opint
Sep 98	25.30	25.12	25.24	+0.13	1,114
Oct 98	25.40	25.16	25.30	+0.14	25,892
Dec 98	25.67	25.41	25.51	+0.05	45,705
Jan 99	25.70	25.52	25.53	-0.02	9,590
Mar 99	25.86	25.65	25.65	-0.06	14,843
May 99	25.83	25.38	25.38	-0.16	6,915

Est. sales 20,000 Tues sales 21,706
Tue's open int 113,301, up 305

SOYBEANS (CBOT)
5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Sep 98	534	522	522¼	-9¼	1,789
Nov 98	536½	525½	526	-8½	90,946
Jan 99	547	536	536¾	-8	34,841
Mar 99	558	547½	548	-7½	17,451
May 99	567	557	557	-7¼	7,714

Est. sales 40,000 Tues sales 44,764
Tue's open int 157,203, up 164

WHEAT (CBOT)
5,000 bu minimum- cents per bushel

	High	Low	Latest	Chge	Opint
Sep 98	257	249	249	-5¼	524
Dec 98	272	263	263½	-4½	86,143
Mar 99	284½	278½	278½	-4½	25,459
May 99	296½	288	288¾	-5	4,772

Est. sales 25,000 Tues sales 21,484
Tues open int 123,529, up 513

Livestock

CATTLE (CME)
40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 98	62.85	61.20	61.45	-0.47	21,738
Dec 98	64.85	63.65	63.82	-0.55	30,880
Feb 99	64.47	63.45	63.65	-0.22	16,094
Apr 99	65.55	64.90	64.95	-0.12	8,070
Jun 99	62.97	62.50	62.50	unch.	5,079
Aug 99	62.75	62.35	62.35	unch.	1,382

Est. sales 21,714 Tue's sales 18,745
Tue's open int 92,589, up 970

FEEDER CATTLE (CME)
50,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Sep 98	68.80	68.10	68.30	-0.05	2,272
Oct 98	70.55	69.45	69.62	-0.38	4,254
Nov 98	71.40	70.45	70.62	-0.30	3,642
Jan 99	71.75	70.95	70.95	-0.30	1,893
Mar 99	71.75	70.95	70.90	-0.32	598
Apr 99	71.75	70.95	70.95	-0.30	352

Est. sales 1,832 Tues sales 2,730
Tues open int 15,378, off 108

HOGS-Lean (CME)
40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 98	42.25	40.82	40.87	-0.90	12,086
Dec 98	41.80	40.60	40.72	-0.15	13,134
Feb 99	45.70	44.90	44.95	-0.05	5,196
Apr 99	47.70	47.05	47.05	unch.	1,739
Jun 99	56.40	55.50	56.35	+0.45	926

Est. sales 8,514 Tues sales 8,858
Tues open int 34,953, off 444

PORK BELLIES (CME)
40,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Feb 99	48.40	45.65	45.77	-1.38	2,784
Mar 99	48.00	44.32	44.40	-0.55	160
May 99	48.45	46.90	46.90	-0.60	15

Est. sales 1,976 Tues sales 1,382
Tues open int 2,983, up 59

Food

COCOA (NCSE)
10 metric tons- $ per ton

	High	Low	Latest	Chge	Opint
Dec 98	1570	1533	1533	-30	23,049
Mar 99	1605	1571	1575	-28	19,075
May 99	1630	1602	1602	-27	6,052
Jul 99	1656	1630	1630	-26	1,817
Sep 99	1680	1659	1659	-23	1,461
Dec 99	1685	1679	1685	-23	4,416

Est. sales 11,346 Tues sales 4,309
Tues open int 68,870, off 733

COFFEE C (NCSE)
37,500 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Dec 98	103.60	101.10	104.90	+0.30	14,980
Mar 99	104.75	101.00	103.95	+0.50	6,994
May 99	105.00	102.25	105.00	+0.75	3,195
Jul 99	105.00	103.50	105.75	+0.50	1,473

Est. sales 9,134 Tues sales 7,608
Tues open int 30,675, up 177

SUGAR WORLD 11 (NCSE)
112,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Oct 98	7.30	7.20	7.21	+0.16	53,166
Mar 99	7.81	7.68	7.79	+0.12	64,032
May 99	7.96	7.87	7.93	+0.09	9,775
Jul 99	8.05	8.02	8.04	+0.09	7,107

Est. sales 28,400 Tues sales 19,591
Tues open int 132,763, off 5,699

ORANGE JUICE (NCTN)
15,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Nov 98	110.25	109.40	110.00	-0.25	15,203
Jan 99	113.25	112.40	112.70	-1.20	6,701
Mar 99	116.40	115.50	115.85	-0.35	3,865
May 99			118.35	-0.20	718

Est. sales N.A. Tues sales 4,486
Tues open int 26,909, up 779

Metals

GOLD (NCMX)
100 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Sep 98	287.70	287.00	287.70	-2.50	3
Oct 98	290.50	287.60	288.00	-2.50	10,349
Nov 98			289.30	-2.40	
Dec 98	293.00	290.20	290.40	-2.40	78,426
Feb 99	294.70	292.40	292.40	-2.30	15,825
Apr 99	296.40	294.30	294.30	-2.20	11,842
Jun 99	298.10	295.90	295.90	-2.20	15,675
Aug 99			297.40	-2.20	5,422
Oct 99			299.20	-2.20	528

Est. sales 33,000 Tues sales 26,522
Tues open int 173,812, off 2,666

HI GRADE COPPER (NCMX)
25,000 lbs.- cents per lb.

	High	Low	Latest	Chge	Opint
Sep 98	77.10	75.60	76.20	-0.80	4,031
Oct 98	76.80	75.20	75.90	-0.95	3,290
Nov 98	76.80	75.40	76.05	-0.95	1,921
Dec 98	77.25	75.40	76.15	-0.95	20,182
Jan 99			76.25	-0.95	2,108
Feb 99			76.45	-0.95	1,123
Mar 99	77.10	76.00	76.60	-0.90	4,873
Apr 99			76.75	-0.90	1,098
May 99	76.90	76.70	76.90	-0.90	2,806

Est. sales 9,000 Tues sales 7,837
Tues open int 60,934, up 59

SILVER (NCMX)
5,000 troy oz.- cents per troy oz.

	High	Low	Latest	Chge	Opint
Sep 98	493.00	487.00	487.00	-3.60	108
Oct 98			488.50	-3.50	1
Nov 98			490.20	-3.50	
Dec 98	500.50	491.00	492.00	-3.50	53,220
Jan 99			494.00	-3.50	46
Mar 99	499.50	495.80	495.80	-3.50	9,273
May 99			497.80	-3.40	1,695
Jul 99	503.00	499.70	499.70	-3.30	2,598

Est. sales 9,800 Tues sales 8,468
Tues open int 72,989, off 268

PLATINUM (NMEX)
50 troy oz.- dollars per troy oz.

	High	Low	Latest	Chge	Opint
Oct 98	369.00	360.40	361.90	-

Blair Rejects Calls For Weaker Pound

Compiled by Our Staff From Dispatches

SUNDERLAND, England — Prime Minister Tony Blair said Wednesday that Britain could not avoid the storms buffeting the world economy but resisted demands for a short-term solution to the problems of a strong pound and high interest rates.

On a visit to northeastern England, which has been battered by a string of high-profile factory closings, Mr. Blair talked up Britain's economic prospects and said his government would not be blown off its long-term course.

His remarks came as the Office for National Statistics said unemployment in Britain fell to 4.6 percent in August, the lowest level in nearly two decades.

Mr. Blair announced a £38 million ($63.7 million) package of measures to help people who lose their jobs and said Britain and other leading economies were working together to counter the risk of a slowdown in the global economy.

But he said ministers were powerless to tame the global forces that were responsible for recent decisions by the Japanese electronics manufacturer Fujitsu Inc. and German chipmaker Siemens AG to close two plants in northeastern England with the loss of some 1,600 jobs.

"We can't, as a government, do much about the twists and turns of world markets in an increasingly globalized economy," Mr. Blair said. "Let us not kid ourselves. In certain sectors there will be an impact."

Mr. Blair acknowledged that exporters were suffering from the high level of the pound, which has been raised by high interest rates, but he said he would not "artificially" change the value of the currency.

Mr. Blair said it would be wrong for the Bank of England, which is responsible for setting interest rates, to lower borrowing costs prematurely despite economic storm clouds.

"It is essential that we don't loosen our grip on getting inflation down," Mr. Blair said. "Failure to do that short-term will mean paying a high price in the long term."

Mr. Blair said he understood the problems for exporters caused by the level of the pound but said, "No matter how difficult, I must say to you in all candor we'll stick to our policy."

After six quarter-point increases since May 1997, Britain's benchmark interest rate stands at 7.5 percent, the highest in the European Union. Despite recent losses, meanwhile, the pound is still 22 percent higher than it was in August 1996, making British goods more expensive on world markets and imports cheaper.

Reiterating the warning sounded by finance ministers from the Group of Seven leading industrial nations this week, Mr. Blair said the balance of risk in the world was shifting toward a slowdown.

This, however, did not mean Britain was facing a recession. "No one is predicting negative growth," he said, referring to the British economy. *(Bloomberg, Reuters, AP)*

Buoyant Holland Fears 'Setbacks'

By Robert Kroon
Special to the Herald Tribune

THE HAGUE — Buoyed by an economic boom and a sustained 4 percent growth rate this year — but casting an eye to the global economy — the Dutch government says it is preparing for "shortfalls and setbacks."

"It is as hard for politicians to save reserves for a rainy day as it is for a dog to set aside a sausage, but we intend to hold on to our sausages all the same," said Finance Minister Gerrit Zalm, a liberal economist who refers to himself as "national project manager."

The government said this week it was presenting a "cautiously optimistic" state budget assuming growth of 3 percent next year but with provisions for a contraction to 2.25 percent.

"We have the necessary reserves to cope with shortfalls and setbacks," Mr. Zalm said, referring to the current slowdown in the global economy. He described the budget as "transparent, disciplined and reasonable."

The budget provides for a deficit of 1.3 percent of gross domestic product, well below the 3 percent maximum for membership in the European common currency, and a further reduction in unemployment to under 5 percent, less than half the European Union average. But it also sees a "certain increase" in the already extensive Dutch tax burden to safeguard the nation's generous welfare system.

Government officials point to a persistent shortage in skilled labor, with hundreds of British contract workers filling gaps in the booming building sector and technology companies raiding universities for budding computer specialists.

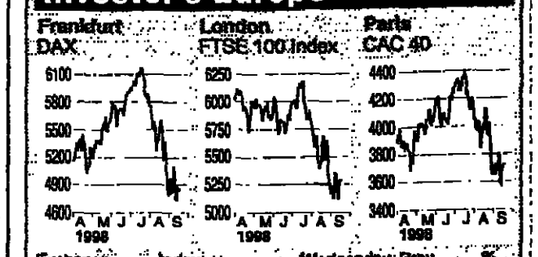
But many business leaders and analysts question Mr. Zalm's cheerful assertion that the economy is "relatively unaffected" by the crises in Asia and Russia. The Council of State, the country's highest advisory body, as well as the European Commission have criticized Prime Minister Wim Kok's center-left government for not doing enough to bring down the budget deficit.

Noting the "enormous shortage of skilled labor," Pierre Voncken, an analyst with Lombard-Odier Nederland, said the government's assumption that wages could be kept in check next year was "simply naive."

The question remains whether the country's successful "polder model," the consensus policy of a politically divergent government coalition, can be sustained if the economic climate turns sour.

In case of a severe economic downturn, many analysts predict that there would be sharp tensions in a cabinet made up of economic free-traders and leftist Laborites including Mr. Kok, the prime minister.

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	AEX	1,027.34	1,014.70	+1.25
Brussels	BEL-20	3,222.37	3,228.18	-0.18
Frankfurt	DAX	4,857.97	4,831.22	+0.55
Copenhagen	Stock Market	638.39	638.54	-0.04
Helsinki	HEX General	4,379.40	4,424.82	-1.02
Oslo	OBX	513.14	511.86	+0.25
London	FTSE 100	5,281.70	5,281.70	+0.19
Madrid	Stock Exchange	712.72	705.17	+2.06
Milan	MIBTEL	20296	19926	+1.86
Paris	CAC 40	3,729.32	3,698.00	+0.85
Stockholm	SX 16	3,404.27	3,440.28	-1.05
Vienna	ATX	1,145.77	1,128.41	+1.54
Zurich	SPI	4,232.90	4,156.05	+1.85

Source: Telekurs International Herald Tribune

Bundesbank Calls Europe a Haven of Stability

Reuters

FRANKFURT — The Bundesbank on Wednesday depicted the economies in Germany and the rest of Europe as havens of calm and stability amid the storm that has disrupted many of the world's financial markets.

In its September report, the central bank said the German economy was growing on a more solid basis than a year ago and that the impact of crises in Asia and Russia had been offset by positive developments.

As a whole, Europe had seen little impact from the crises, the bank said, noting that exchange rates within the future European currency zone had remained stable despite the turmoil on world stock markets and wild currency swings elsewhere.

Nonetheless, the global economy is slowing sharply, and crisis-hit nations must take action rapidly to tackle their problems, the Bundesbank said. "This problem-solving process is likely to be more drawn-out and more painful than was first expected," it said.

Referring to the German economy, the central bank said: "The strengthened economic activity is now on a broader basis than in 1997, when economic growth relied above all on the sharp rise in exports."

Domestic demand is rising, as companies are more willing to invest and private consumption is poised to increase as labor-market conditions continue to improve.

The Bundesbank also said there were two main reasons for the improvement in jobless numbers: the overall economic upturn and job-creation measures targeted at Eastern Germany.

In the first eight months of 1998, 320,000 people were taken off Germany's jobless rolls. But the central bank said Germany had to do more to put the country's 4 million unemployed back to work, calling for labor market reform and tax cuts.

The bank made no explicit comments on its interest-rate outlook, but the tone of the report gave support to recent comments from the Bundesbank president, Hans Tietmeyer. Mr. Tietmeyer has indicated that the Bundesbank has no plans to heed calls for a global round of interest-rate cuts that some say could help stabilize world markets.

■ No Sign of Deflation

There are no signs of depression or deflation in European financial markets, despite the Asian crisis, said Tommaso Padoa-Schioppa, a European Central Bank executive board member, AFX News reported.

The Asian crisis has had only "a marginal braking effect on growth in Europe," he said. As a result, he said, there was no need to lower interest rates.

Very briefly:

• **P&O Nedlloyd, Sea-Land Corp.** and 13 other container-shipping companies were fined 273 million European currency units ($317.4 million) by the European Commission, which found they had fixed prices on inland-transport services.

• **Deutsche Telekom AG**, Europe's largest phone company, said its supervisory board had approved plans to spin off its unprofitable cable-television business next year and divide it into regional units.

• **Metro AG**, a German retail group, plans to take over the worldwide wholesale-trading activities of **Metro Holding AG**, its Swiss majority owner. Sources said Metro would pay about 4.8 billion Deutsche marks ($2.85 billion) for the takeover.

• **France Telecom SA** plans to reduce its stake in **Panafon SA**, Greece's largest mobile-phone company, to 20 percent from 35 percent because it cannot gain control of the company from **Vodafone Group PLC**, according to bankers preparing Panafon's initial public offering. *Bloomberg, Reuters*

SEX: *In Corporate America, Powerful Men Find Flings Can Add Allure Without Serious Risk*

Continued from Page 13

three secretaries filed a sexual harassment complaint with the U.S. Equal Employment Opportunity Commission, alleging that Mr. Wassong had used foul language and worked in his underwear in front of them, had urinated with the door open, or had hit them. Fifteen other former Wassong secretaries gave the commission similar accounts, and about two dozen more women told investigators about conduct over three decades.

In 1995, Del Labs paid $1.2 million to settle the case, then the largest such sexual harassment settlement ever negotiated by the commission. Mr. Wassong did not admit wrongdoing, and his lawyer, Mark Dichter, has said that Mr. Wassong "emphatically denies the allegations of these women." Mr. Wassong remains head of the company.

What insulates executives who cross the line and escape without consequences? Workplace experts say some of them control large blocks of stock, making it hard to remove them without inciting the corporate equivalent of civil war. They also typically control their boards of directors, appointing people likely to support them no matter what.

"When CEOs are behaving badly sexually, but they are meeting their profit-and-loss numbers and shareholders are happy, then it is not thought to be important behavior," Ms. Klein said.

Those executives who do get the ax for sexual misbehavior usually fall because they were otherwise in trouble. It takes "some other rumbling," combined with poor stock performance or other management problems, Ms. Klein said, to spur a company to remove its highest executives.

WORLD STOCK MARKETS

Wednesday, Sept. 16

Daily prices in local currencies.
Telekurs

Amsterdam
AEX Index: 1027.34 / Previous: 1014.70
www.aex.nl

	High	Low	Close	Prev.
ABN-AMRO	39.20	38.20	39.00	37.80
Aegon	158.90	155.10	155.50	154.60
Ahold	61.60	59.60	61.60	60.20
Akzo Nobel	81.00	78.20	79.50	80.00
ASM Lithо.	35.40	33.00	33.40	35.00
ASR Verz.	171.00	165.00	169.00	169.80
Boon Co.	62.20	58.80	59.30	61.30
Bols Weus cva	25.80	25.40	25.40	25.00
Buhrmann	42.70	40.30	42.10	41.40
Cap Gemini	149.20	146.10	149.20	147.00
CSM cva	101.00	97.00	99.10	97.50
Deutsche Pet	90.80	89.00	89.70	89.20
DSM	144.50	143.50	146.50	144.80
Elsevier	28.00	27.40	27.50	27.70
Fortis Amev	121.20	118.40	119.40	118.10
Gist-Brocades	98.60	94.70	97.80	94.80
Hagemeyer	66.70	65.00	65.50	65.60
Heineken	92.80	89.30	91.10	89.20
Hoogovens cva	65.00	63.60	64.40	63.90
Hunt Douglas	76.00	74.50	76.00	74.50
IHC Caland	101.30	100.00	100.20	101.00
ING Group	110.90	106.90	110.50	105.80
KLM	66.90	65.50	66.10	65.40
KPN	70.00	64.70	69.30	64.00
Nedlloyd	30.60	29.20	29.50	30.40
Nutricia	64.70	62.60	63.90	63.80
OCE	66.50	64.20	66.30	64.00
Philips Elec	113.20	108.30	110.40	113.00
Polygram	109.40	108.90	109.30	109.00
Randstad Hdg	119.50	113.60	117.30	112.50
Robeco	194.00	192.30	194.00	192.40
Rodamco	43.40	43.10	43.40	43.50
Rolinco	165.90	164.90	165.50	163.00
Rorento	127.30	126.80	126.80	127.10
Royal Dutch	97.40	95.90	96.10	95.40
TNT Post Group	50.50	48.10	48.70	47.70
Unilever cva	128.30	125.80	126.40	127.00
Vendex	81.50	79.50	80.00	79.50
Wendel	77.70	74.00	75.50	76.80
Wolters Kl cva	356.00	347.50	347.50	351.00

Athens
Composite Index: 2222.84 / Previous: 2198.42
www.ase.gr

	High	Low	Close	Prev.
Commercial Bk	23990	23005	23500	23550
Ergo Bk	25500	24950	25150	25000
Hellenic Bottlg	6980	6870	6915	6895
Hellenic Telecom	7000	6800	7000	6760
Henelkes Comml	8300	7880	7920	7825
Nat'l Bank	41550	40500	40645	40515
Titan Cement	19000	18700	18700	18610

Bangkok
SET Index: 218.78 / Previous: 211.08
www.set.or.th

	High	Low	Close	Prev.
Adv Info Svc	181.00	163.00	173.00	162.00
Bangkok Bk F	33.50	30.00	31.50	29.50
BEC World	149.00	142.00	149.00	139.00
Delta Electron.	244.00	224.00	240.00	222.00
Elec. Gener. F	76.00	74.00	74.50	75.00
Krung Thai Bk	6.50	5.90	6.30	5.90
PTT Explor F	302.00	278.00	294.00	278.00
Siam Cement F	300.00	292.00	300.00	296.00
Telecomasia F	7.70	7.50	7.50	7.60
Thai Airways	31.75	29.25	30.25	29.25
Thai Farm Bk F	22.25	18.75	21.25	18.50

Bombay
Season 30 Index: 3138.44 / Previous: 3142.18
www.bse-india.com

	High	Low	Close	Prev.
Bajaj Auto	439.00	444.60	445.75	450.25
Bharat Hvy El	264.05	253.50	255.00	262.70
Bharat Petrm	282.50	273.60	274.70	281.50
Hindust Lever	1692.00	1683.25	1690.50	1679.50
Hindust Petrm	336.75	323.00	325.50	324.00
Ind Dev Bk	54.90	54.20	54.65	54.00
ITC	691.00	676.25	678.00	689.00
Larsen Toubro	195.90	189.10	190.00	193.90
Mahanagar Tel	218.50	213.60	213.80	217.70
Reliance Ind	122.40	119.10	119.40	121.50
State Bk India	205.60	200.30	201.00	204.40
Tata Eng Loco	153.90	144.30	148.50	145.00

Brussels
BEL-20 Index: 3222.37 / Previous: 3228.18
www.stockexchange.be

	High	Low	Close	Prev.
Almanij	2890	2820	2840	2820
Cobepa	2420	2380	2410	2390
Delhaize Lion	3045	2900	2910	2905
Dexia Belgium	5730	5630	5630	5660
Electrabel	12775	12600	12675	12675
Electrobel	4080	3910	4000	4000
Fortis AG	9510	9380	9380	9400
GBL	6350	6250	6340	6330
Gen Banque	15000	14700	15000	15000
KBC Bankassur	2705	2675	2675	2690
Petrofina	12800	12600	12675	12700
Royale Belge	10550	10550	10550	10550
Soc Gen Belg	4170	4170	4170	4150
Solvay	3440	3410	3440	3435
Tractebel	6060	5910	6000	6000
UCB	199850	197500	198750	198300

Buenos Aires
Merval Index: 369.97 / Previous: 339.73
www.bcba.sba.com.ar

Tuesday, Sept. 15

	High	Low	Close	Prev.
Banco Frances	6.20	5.26	6.19	5.50
Bco Galicia BA	2.96	2.42	2.96	2.47
Perez Companc	3.52	3.03	3.40	3.08
Renault Arg	1.31	1.20	1.22	1.18
Siderar A	2.30	2.09	2.10	2.00
Siderca	1.14	0.95	1.08	0.98
Telecom Arg B	5.39	4.60	5.39	4.69
Telefonica B	2.75	2.17	2.72	2.22
YPF D	25.80	21.80	25.35	22.05

Copenhagen
Stock Index: 636.39 / Previous: 638.54
www.xcse.dk

	High	Low	Close	Prev.
BG Bank	385	370	382.49	380
Carlsberg B	460	445	460	450
Danisco	435	425	430	430
Den Danske Bk	820	800	810	805
DS Svendborg B	59500	58461	58500	59000
DS 1912 B	42500	41000	41000	41000
Fls Nordisk B	970	940	950	950
Ostlin B	1225	1035	1035	1075
Tele Danmk B	710	675	685	685
Unidanmark A	540	500	500	505

Frankfurt
DAX: 4857.97 / Previous: 4831.22
www.exchange.de

	High	Low	Close	Prev.
AMB R	240.00	253.00	260.00	260.80
Adidas	184.00	175.00	176.40	182.00
Allianz	692.50	685.00	687.00	698.00
Altana	118.00	105.00	105.50	105.00
Audi	1575.00	1575.00	1575.00	1576.00
Axa Colonia	220.00	209.00	218.00	206.00
BK Berlin	31.50	30.50	30.90	31.60
BASF	44.00	44.90	45.30	45.90
Bayer	44.45	43.60	44.55	44.60
Bay Hypo Vereik	146.50	135.00	141.50	134.00
Beiersdorf	101.50	98.00	100.20	103.00
Bewag	80.00	80.00	80.00	80.00
BHW Holding	28.00	27.50	28.00	27.80
BMW	1247.00	1196.00	1196.00	1207.00
Commerzbank	52.50	51.40	52.00	51.40
Daimler Benz	156.50	154.00	154.50	154.00
Degussa	82.00	78.00	81.50	78.90
Deutsche Bank	107.75	101.50	102.45	103.60
Deut Telekom	54.10	52.50	52.80	52.00
Dresdner Bank	74.50	71.50	73.00	70.50
Energie BW	72.00	72.00	71.00	72.00
Ergo Vers.	305.00	297.00	300.00	302.00
Fresenius	245.00	235.00	236.00	239.00
Fresenius Med	88.50	85.20	85.50	88.20
Fr. Krupp Hoes	254.00	250.00	250.50	251.00
Gehe	103.00	101.80	102.50	102.00
Heidelbg Zmt	140.00	131.00	131.00	131.50
Henkel pfd	147.50	142.00	147.50	140.50
Hoechst	74.50	72.80	73.90	72.25
Karstadt	810.00	785.00	785.00	775.00
Lahmeyer	83.50	83.50	83.50	83.50
Linde	1020.00	1005.00	1013.00	1005.00
Lufthansa B	37.50	36.90	36.95	36.80
MAN	569.50	548.00	563.00	540.00
Mannesmann	175.30	169.50	170.50	172.40
Metallgesellschaft	38.30	36.40	36.40	38.20
Metro	101.00	101.50	101.50	105.20
Munch Rueck R	720.00	672.00	703.00	668.00
Preussag	621.00	592.00	592.00	607.80
RWE	94.50	90.00	93.30	90.60
RWE-DEA	481.00	481.00	481.00	477.00
SAP	940.00	878.00	880.00	943.00
Schering	183.00	180.50	180.50	180.50
Siemens	116.30	110.50	111.50	112.60
Springer (Axel)	1000.00	980.00	1000.00	1002.00
Thyssen	331.00	324.00	325.50	324.00
Veba	99.90	95.30	97.65	96.20
VEW	540.00	525.00	540.00	525.00
Viag	1265.00	1260.00	1300.00	1265.00
Volkswagen	126.80	124.00	124.90	124.00
Wuerttem. Vers.	2620.00	2620.00	2620.00	2620.00

Helsinki
HEX General Index: 4379.40 / Previous: 4424.82
www.hse.fi

	High	Low	Close	Prev.
Cultor 2	63.00	60.00	63.00	62.00
Enso R	42.00	41.00	41.00	41.60
Helsinborg I	193.00	190.00	190.00	193.00
Merita A	26.50	25.90	26.30	26.10
Metra B	136.00	133.00	133.00	136.00
Nokia A	487.00	484.00	485.00	483.00
Orion-Yhtyman	120.00	117.00	118.00	120.00
Outokumpu	51.20	50.00	51.20	51.00
Pohjola Ins. B	205.00	196.00	205.00	200.00
Rautaruukki V	70.00	63.50	70.00	64.00
Sampo Ins. A	167.00	161.00	164.00	164.00
UPM Kymmene	121.50	118.00	119.00	119.00

Hong Kong
Hang Seng: 7868.43 / Previous: 7733.47
www.sehk.com.hk

	High	Low	Close	Prev.
Amoy Props	4.68	4.40	4.58	4.38
Bk East Asia	10.60	10.25	10.45	10.45
Beijing Ent.	9.15	8.55	9.05	8.60
Cathay Pacific	6.55	6.40	6.50	6.45
Cheung Kong	34.40	33.30	34.40	33.60
CK Infrastruc	15.90	15.10	15.85	15.10
China Merchant	4.65	4.43	4.48	4.50
China Overs	0.89	0.86	0.87	0.86
China Resource	7.10	6.85	7.00	6.95
CLP Holdings	37.00	36.00	36.90	36.00
Cific Ka Wah Bk	2.55	2.40	2.45	2.45
Cific Pacific	12.10	11.10	12.05	11.05
Cosco Pacific	3.03	2.79	2.83	2.90
Dah Chong Hk	9.70	9.30	9.35	9.55
Hong Long Dev	7.80	6.80	6.85	6.80
Hong Seng Bk	47.60	46.60	47.50	47.00
Henderson Inv	3.65	3.50	3.55	3.58
Henderson Lnd	28.10	27.50	27.95	27.90
HK China Gas	9.45	9.00	9.35	8.85
HK Electric	27.20	25.90	27.05	25.90
HK Telecomm	15.50	15.00	15.25	15.00
HSBC Hdgs	150.00	145.00	148.00	146.50
Hutchison Wh	39.60	37.40	39.10	38.00
Hyson Dev.	5.95	5.80	5.90	5.80
Johnson El Hdg	15.00	15.00	15.00	15.00
Natl Mutual	3.93	3.80	3.90	3.65
New World Dev.	9.55	9.20	9.50	9.30
New World Inf.	7.65	6.60	7.40	6.65
Shangri-La Asia	16.35	15.90	15.80	15.55
Shanghai Ind.	5.05	4.80	4.80	5.00
Shangri-La Asia	26.70	26.00	26.30	26.20
SHK Props	2.30	2.23	2.28	2.22
Sino Land Co.	23.40	23.00	23.15	22.90
Swire Pac A	9.30	9.00	9.20	9.05
Wharf Hldgs	4.80	4.53	4.53	4.70
Wheelock	13.65	13.55	13.60	13.55

Istanbul
National 100 Index: 2127.91 / Previous: 2198.95
www.ise.org

	High	Low	Close	Prev.
Akbank	4100	3850	4050	4000
Anadolu Isuzu	10100	9000	9500	9750
Hacl Omer Sab	3600	3250	3450	3450
KOC Holding	23750	22750	22750	23000
Toprak	24250	22250	23950	23150
Turk Hava	16250	14750	15500	15750
Turk Beokozi	7300	6700	6900	7100

Jakarta
Composite Index: 296.93 / Previous: 292.15
www.jsx.co.id

	High	Low	Close	Prev.
Astra Intl	450	375	400	400
Gudang Garm	6975	6400	6425	6275
Indah Kiat	1875	1575	1675	1650
Indocement	3800	3500	3800	3800
Indofood	1625	1450	1600	1450
Indomiand Syn	1000	875	875	1150
Indosat	6450	6000	6125	6250
Sampoerna HM	2350	2250	2275	2250
Semen Gresik	7950	6825	6825	7500
Telekomunikasi	1700	1500	1625	1700
Texmaco Perk	2975	2975	2975	2975
Timah	3975	3750	3850	3900

Johannesburg
All Market: 5980.49 / Previous: 4946.29
www.jse.co.za

	High	Low	Close	Prev.
ABSA Group	22.20	20.00	21.50	19.50
AngloAm Corp	183.40	181.00	182.00	183.60
AngloAm Ind	77.50	76.00	76.50	75.50
AngloAm Plat	94.00	91.00	93.00	92.00
Barlow	23.70	22.00	23.15	21.95
Bidvest Grp	35.20	34.50	35.00	34.00
Billiton	13.45	12.70	13.00	12.65
BOE	4.23	3.68	4.09	3.60
Consolidat N	59.00	56.50	57.00	55.60
De Beers	92.40	91.70	92.00	91.90
Dimension Data	27.40	19.70	21.00	23.50
Fedsure Hldgs	33.60	31.60	32.00	31.50
FirstRand	5.14	4.60	4.95	4.50
Gensbel Sec	24.25	21.80	24.25	21.80
Imperial Hldgs	40.00	38.50	39.80	38.50
Investec Hldgs	146.00	138.00	145.00	134.00
Johnnics Indl	26.60	26.00	26.50	26.30
Liberty Hldgs	218.00	214.00	217.00	217.00
Liberty Life	88.50	85.60	87.50	85.80
Lib Life Strat	9.80	8.40	9.50	8.40
Met Life	8.10	7.80	8.00	7.70
Minorco	64.00	63.00	63.00	64.00
Nampak	8.25	7.30	7.95	7.30
Nedcor	88.00	80.00	86.00	79.90
Persetel Q Data	49.00	40.00	45.70	39.80
Primedia Uts	15.65	15.50	15.50	15.40
Rembrandt Gp	37.50	35.30	36.90	34.95
Richemont	78.00	75.50	75.50	75.50
SA Breweries	81.40	77.00	80.70	76.90
Sasol	30.20	26.25	27.25	25.90
SBIC	13.50	11.50	12.65	11.35
Sentrachem	12.00	10.50	11.00	10.50
Tiger Oats	42.50	41.10	41.10	41.00

Kuala Lumpur
Composite: 284.84 / Previous: 289.08
www.kbe.com.my

	High	Low	Close	Prev.
Berjaya Sports	3.38	3.12	3.24	3.20
Genting	7.20	7.05	7.25	7.20
Golden Hope	2.86	2.77	2.82	2.92
KL Kepong	4.68	4.54	4.64	4.60
Maybank	1.19	1.11	1.16	1.15
Mal Banking	4.18	4.04	4.12	4.14
Mal Intl Ship F	3.96	3.76	3.94	3.80
Petronas Gas	6.75	6.50	6.60	6.65
Public Bk F	1.08	1.03	1.07	1.00
Resorts World	3.86	3.76	3.86	3.80
RHB Capital	1.77	1.68	1.71	1.72
Sime Darby	3.20	2.95	3.05	3.05
Tenaga	3.82	3.60	3.76	3.75
TIME	3.48	3.34	3.42	3.42
YTL	2.83	2.71	2.82	2.72

London
FT-SE 100: 5291.70 / Previous: 5281.70
www.stockex.co.uk

	High	Low	Close	Prev.
Abbey Natl	12.02	10.81	11.86	11.94
Allnance Leic	9.01	8.55	8.70	8.91
Allied Zurich	5.12	4.53	4.90	4.76
Amvescap	4.99	4.71	4.97	4.57
Assocciated	4.25	4.11	4.17	3.99
Anglian Water	9.53	9.15	9.20	9.45
ASDA Group	1.87	1.81	1.81	1.86
Assoc Br Foods	5.50	5.05	5.11	5.20
BAA	6.03	5.73	5.94	5.91
Bank Scotland	6.40	5.77	6.00	5.79
Barclays	11.40	11.08	11.27	10.80
Bass	8.29	7.21	7.27	8.50
BrMm Tobacco	4.53	4.31	4.36	4.40
BG	5.88	3.45	5.85	3.91
Billiton	1.58	1.33	1.34	1.32
Blue Circle	2.90	2.60	2.67	2.77
BOC Group	7.95	7.77	7.85	7.90
Boots	10.05	9.80	9.87	9.99
Brit Aerosp	12.95	12.27	12.87	12.25
Brit Aerosp	3.90	3.55	3.59	3.91
Brit Airways	4.25	4.11	4.26	4.07
Brit Energy	5.70	5.52	5.56	5.68
Brit Land	5.65	5.53	5.53	5.58
Brit Petrm	8.36	8.16	8.26	8.15
Brit Steel	1.04	1.00	1.01	1.02
Brit Telecom	8.48	8.15	8.41	8.19
BSkyB	5.69	4.99	5.00	4.88
BTR	1.22	1.16	1.20	1.16
Burmah Castrol	9.45	9.05	9.11	9.09
Cable Wireless	5.99	5.67	5.91	5.65
CW Comms	4.33	4.13	4.20	4.10
Cadbury Schw	8.90	8.69	8.73	8.72
Carlton Comm	4.25	4.02	4.20	4.21
Centrica	1.07	1.00	1.02	1.06
CGU	9.63	9.05	9.43	8.77
Compass Group	6.18	5.77	5.82	6.00
Daily Mail A	21.15	20.52	20.52	21.03
Diageo	6.89	5.71	5.94	5.66
Dixons Group	6.08	5.84	6.02	5.84
EMAP	10.25	10.05	10.30	10.06
EMI Group	4.08	3.97	4.01	4.03
Enterprise Oil	4.05	3.65	3.90	3.66
Gallaher Group	4.02	3.94	3.95	4.03
GEC	4.75	4.57	4.68	4.72
GKN	6.84	6.50	6.62	6.70
Glaxo Wellcome	18.58	18.30	18.41	18.17
Granada Group	7.89	7.00	7.45	7.72
GRE	2.45	2.39	2.43	2.37
GUS	7.60	6.78	7.36	7.53
Halifax	8.03	7.79	7.86	7.78
Hays	9.47	8.57	9.07	8.83
HSBC Hdgs	11.68	11.10	11.41	11.30
HSBC Hdgs 75p	12.34	11.45	11.65	11.65
ICI	5.40	5.04	5.07	5.16
Impl Tobacco	5.66	5.46	5.49	5.45
Kingfisher	5.92	5.22	5.32	5.36

NYSE

Wednesday's 4 P.M. Close

The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
		A-B-C								
22¾	20¾	AAR s	.34	1.6	16	1161	22¼	21¾	21¾	-¼
37	23	ABM	.48	1.3	21	112	37¼	36¾	36¾	-¼
25¾	22¾	ABN Am n	1.98	7.4	—	1121	26¾	25¾	26¾	+¾
27¾	16¾	ABN Amr	.436	2.2	11	5730	22¾	21¾	21¾	+¾
9	2¾	ACE Ltd s	.36	1.1	7	482	9¾	9¾	9¾	
11¾	7¾	ACM	.59a	6.6	—	8	9¾	9¾	9¾	
8¾	7¾	ACM Op	.42	5.3	—	8	8¾	8¾	8¾	+¾
10¾	7¾	ACM Sc	.307a	5.1	—	8	8¾	8¾	8¾	
7¾	6¾	ACMS	.54	8.5	—	8	6¾	6¾	6¾	
15	7¾	ACMMD	1.36a	13.8	—	3	10¾	9¾	9¾	—
10¾	7¾	ACM Nt	.79a	10.3	—	8	7¾	7¾	7¾	
15¾	12¾	ACMMid	.80	6.1	—	8	13¾	13¾	13¾	
22¾	17¾	ACNielsen	—	—	24	267	21¾	20¾	21¾	+¾
27¾	14¾	ACX Tech	—	—	17	236	16¾	16¾	16¾	
38	22	AES Ch	—	—	28	6035	37	36¾	37	+¾
55¾	47	AES PR	2.40	5.1	—	8	51¾	51¾	51¾	
19¾	7¾	AFLAC s	.36	.5	19	2633	19¾	19¾	19¾	-¼
24¾	1	AGCO	.20	1.3	7	2075	16¾	15¾	16¾	
25¾	22¾	AMB Pr n	1.37	6.0	—	134	22¾	22¾	22¾	+¾
11	10¾	AMC n	—	—	40	414	9¾	9¾	9¾	-¾
32¾	19¾	AMLI Res	1.24	6.7	14	120	20¾	20	20¾	+¾
69¾	47¾	AMR s	—	—	23	2881	65¾	63¾	65¾	+¾
3¾	3¾	ARM Sec	—	—	—	40	3¾	3¾	3¾	+¾
19¾	17¾	ARM Fnd	.16	1.0	10	1147	15¾	15	15¾	+¾
19¾	17¾	AXA Ltd	.30	2.2	—	340	18¾	18¾	18¾	+¾
27¾	21¾	AVX Cp	.12	.7	17	1	17¾	17¾	17¾	+¾
27¾	21¾	AXA Cp	.32	1.2	14	238	26¾	25¾	26¾	+¾
27¾	21¾	AXA UAP	.249	1.0	—	6	25¾	25¾	25¾	+¾
17¾	6¾	Aaipharm	.15	1.7	—	3	9¾	9¾	9¾	
11¾	11¾	Aaipharm pf	.16	1.5	—	2	11¾	11¾	11¾	
15¾	11¾	Aaipharm wt	—	—	—	1

NASDAQ

Wednesday's 4 P.M.

The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press.

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NYSE

Wednesday's 4 P.M. Close

(Continued)

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

A Push for 'Hard Landing' in Japan

By Sandra Sugawara
Washington Post Service

TOKYO — For years, Japan has been criticized for moving too slowly to clean up its weak banking system. Now, a surprisingly strong coalition of opposition parties is demanding that the government in Japan adopt a brutal "hard landing" scenario.

The dramatic difference in the approaches to the crisis of the governing Liberal Democratic Party and the opposition parties, led by the Democratic Party, has made it difficult for the two sides to reach an agreement, despite intense pressure from overseas.

On Wednesday, two American officials who were visiting Tokyo, the U.S. trade representative, Charlene Barshefsky, and Stuart Eizenstat, undersecretary of state for economic affairs, both reiterated long-standing U.S. frustration over Japan's slowness in dealing with its banking crisis. The continuing erosion of Long-Term Credit Bank of Japan Ltd., a major lender, added to the urgency to find a solution, said analysts.

Until recently, the Liberal Democrats had been planning to enact banking measures before Prime Minister Keizo Obuchi's meeting in New York next week with President Bill Clinton, to highlight Mr. Obuchi's ability to lead Japan out of its recession.

Yet, on Wednesday night both sides said the talks were deadlocked. Because the Liberal Democrats do not have a majority in the upper house of Parliament, the party needs some opposition votes to get its measures passed. "Chances for a break through tonight are remote," Hideyuki Aizawa, a senior Liberal Democratic lawmaker, said this evening, Bloomberg News reported.

Liberal Democratic officials have said that none of Japan's major 19 banks should be allowed to fail because of the risk to the financial system. They want to use a $97 billion fund to inject money into weak but viable banks. Analysts have said that many Japanese banks have insufficient capital, because borrowers have not paid back more than $600 billion in loans.

In contrast, the opposition groups have advocated strict disclosure and bad loan reserve requirements that Democratic Party leaders acknowledge could result in the closure of about half of the major banks in Japan. They also want to eliminate the $97 billion fund. Instead, they have discussed establishing a smaller fund that would enable the government to nationalize banks with insufficient capital. It would also allow the government to inject money into banks that agreed to buy the good assets — the loans that are repaid on time — from banks that have been liquidated.

Naoko Nemoto, a banking analyst at Standard & Poor's Corp. who has been critical of Japan's handling of its weak banks, said the proposal of the opposition groups also had major risks. "By abolishing the 13 trillion yen fund, the financial system could become more unstable than it is now," said Mrs. Nemoto. Also, if the government allows Long-Term Credit to go bankrupt, that means its pledge to protect the major 19 banks is worthless, she said.

But Eisei Ito, chairman of the Democratic Party's policy-research committee, said a banking industry shake out was necessary because there were too many banks in Japan. "Tax money should not be used to prop up a bankrupt bank," he said. The Democratic Party has argued that nationalization of the bank will prevent panic because the government can end the banks' activities in an orderly fashion and meet the banks' international obligations. The good assets would be sold off, and the bad loans would go to a U.S.-style Resolution Trust Corp.

Meanwhile, the governor of the Bank of Japan, Masaru Hayami, said Wednesday that the Japan premium — the extra amount charged to Japanese banks because of perceived risks — had been rising. Mr. Hayami also told Parliament that only a few Japanese banks could directly raise funds in the euro interbank market these days.

Agence France-Presse

Naoto Kan, the opposition Democratic Party chief, calling for steps to end Japan's financial crisis.

Malaysia's High-Tech Vision Falters

Bloomberg News

SINGAPORE — At the height of Malaysia's boom in the mid-1990s, Prime Minister Mahathir bin Mohamad allowed himself a vision of his country as a high-technology industrial powerhouse.

In place of the palm-oil plantations south of the capital, Kuala Lumpur, he saw a 50-kilometer (30-mile) stretch of futuristic industrial estates linked by a sophisticated telecommunications system. He saw Cyberjaya, the most modern, purpose-built information technology city in the world; and he saw the Mesdaq, a new stock market that would seed the development of an Asian Silicon Valley, bringing together capital, computer talent and market specialists to fire the country's great technological leap forward.

All of this was summed up by the catchphrase Vision 2020, representing Mr. Mahathir's ambitious plans to lift Malaysia into the ranks of the developed nations in the first two decades of the next century.

But with Kuala Lumpur having recently imposed far-reaching capital controls to try to deal with the country's currency and financial crises, that dream, like Malaysia's plan to build a world-class offshore banking system on the island of Labuan, is looking increasingly wishful.

"It's a tragedy, really, to waste everything. Vision 2020 and all that has been sacrificed for political expediency," said William Pitman, director of investment at Henderson Investors Singapore Ltd.

After 13 years of breakneck economic growth, Malaysia seemed well placed to meet its goal. The grand dream began unraveling last year, though, as the economy cooled amid a credit crunch and regionwide currency crisis, prompting foreign investors to take flight. In a bid to stem the flow of capital, the central bank announced the capital controls Sept. 1, effectively removing the country from the international finance community.

The problem is, many of Malaysia's development plans hinge on gaining access to foreign capital and technology. Mesdaq, for example, modeled on the Nasdaq over-the-counter exchange in the United States, is intended to attract investors looking to buy shares in high-tech companies that have growth potential but little in the way of established revenue flows.

With the new barriers to foreign investors, including one that prohibits them from repatriating proceeds from share sales for 12 months, there is little chance of Mesdaq achieving its goals, analysts say.

"Malaysian investors don't know the value of technology stocks," said Nik Ezar Nik Bolia, chief executive of RHB Unit Trust Management Bhd., a Malaysian fund manager. "They are counting on foreign investors who understand the value of technology companies to invest, but now foreign investors are avoiding Malaysia."

Mr. Mahathir has not publicly commented on Mesdaq or the Multimedia Super Corridor, as the industrial development project is known, since his government unveiled the capital curbs. Khairil Anuar Abdullah, executive chairman of Mesdaq, said it was premature to comment on what effect the controls would have on the exchange, which is to start trading in October.

In July, Mr. Mahathir said that "turmoil or no turmoil," the country would push ahead with the corridor, and large foreign investors such as Microsoft Corp. and Cisco Systems Inc. of the United States and Acer Inc. of Taiwan have said the capital restrictions will not affect their plans for Malaysia.

Hopewell to Halt Java Project

Compiled by Our Staff From Dispatches

HONG KONG — Hopewell Holdings Ltd. said Wednesday it had halted work on a large power project in Indonesia and that it may take a charge of 4.8 billion Hong Kong dollars ($619.7 million) to absorb the costs.

It is the second setback faced by the infrastructure company in Southeast Asia because of the regional financial crisis. It had previously shelved an elevated railroad project in Thailand.

The company said it told its bankers the Tanjung Jati B power plant in western Java could not be completed until economic conditions in the country improved.

Sir Gordon Wu, chairman of Hopewell, said the notice had been issued to safeguard the company's investment in Indonesia, which is battling a severe financial crisis.

The power project is a 1,320-megawatt coal-fired power plant, and Hopewell has the right to operate the plant for 30 years. Hopewell said the project was originally scheduled for completion in 2000 and was now 70 percent complete.

The Hong Kong-based company has an 80 percent stake in the project.

Sir Gordon said he hoped his company could eventually restart the project. *(AFP, Bloomberg)*

TURMOIL: *Commitment to Free-Market Policies Shrinks in Asia*

Continued from Page 13

alization as the United States and the International Monetary Fund.

Michel Camdessus, managing director of the IMF, said Malaysia's exchange controls were "dangerous and indeed harmful." He added: "I hope these measures will be soon altered and hopefully removed." During a visit to the Philippines, David Aaron, the U.S. undersecretary for international trade, said Asian nations must not follow Malaysia's lead, but adhere to open market principles.

"The supposed alternatives — exchange controls, import substitution and state management — do not work," Mr. Aaron said. "The failed nostrums of the past are not the answer."

However, many commentators, including Mr. Supachai, warned that further market turmoil would inspire other countries to clamp down on their currency and erect trade barriers.

"When they look at China, India and Malaysia they might think that if you can control your capital account things might work out better," Mr. Supachai said, adding that Thailand had no need or intention to use capital controls.

The danger is that the depth of the ongoing emerging market crisis will drive otherwise reasonable leaders to adopt desperate measures, said Bill Kaye, managing partner of the Pacific Group's Asian Hedge Fund.

"These countries are entering the nuclear winter of global investment," he said. "The International Monetary Fund programs haven't achieved their desired result, and things just aren't getting better. Now there is a real risk we will have bad policy contagion."

In addition to Malaysia's currency controls, Mr. Kaye cited Hong Kong's recent billion-dollar stock-market intervention and Taiwan banning hedge funds as examples of the start of a regionwide pullback from free-market economics.

"If countries find they are being more hurt than helped by the external environment, they may think it better to shut down the capital account," said Gnanan Ma, head of Asia-Pacific economic research at Salomon Smith Barney. "Other countries might be tempted to limit the speed of capital flows."

Tom Buerkle contributed to this report from London.

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ASIA/PACIFIC

GM to Triple Stake In Suzuki to 10%

U.S. Carmaker Seeks More Access to Asia

Compiled by Our Staff From Dispatches

TOKYO — General Motors Corp., the world's largest automaker, said Wednesday it would pay $315 million to triple its stake in Japan's Suzuki Motor Corp. and gain better access to Asian markets.

GM will raise its stake in Japan's largest maker of minivehicles to 10 percent from 3.3 percent and cooperate with Suzuki on design, production and marketing. GM will buy 33.6 million new Suzuki shares at 1,258 yen ($9.41) each. The shares closed at 1,238 in Tokyo trading, down 2.

The deal calls for Suzuki to take primary responsibility for the design and development of small passenger vehicles and minivehicles, particularly in Asia. A minicar has less than half the engine power of an average compact car. GM will be responsible for midsize and large passenger vehicles.

The two companies also agreed to exchange information on advanced technology in areas such as alternative fuels and intelligent vehicles.

Suzuki and GM operate a joint venture in Canada that makes small vehicles for North America. They have also agreed to jointly develop compact cars for sale in Europe.

"In many areas of the world where GM needs to be, Suzuki is already there," GM's chairman, John Smith, said at a joint press conference in Tokyo with Osamu Suzuki, president of Suzuki. "This has to do with being a strong player in the rest of the globe where markets are growing relatively faster."

Suzuki said it needed GM to expand its product range beyond compacts and motorcycles and to move into markets where it has little presence — including Latin America, Africa and Eastern Europe.

"We are good at mini and small cars, and we can use GM plants to produce them," Mr. Suzuki said. "We can produce a full line of vehicles by leveraging GM support."

Suzuki said it would use the proceeds from the share sale to invest in plants, equipment, research and development.

The move follows a string of mergers in the global auto industry that has forced many smaller carmakers to consolidate.

In July, Daimler-Benz AG of Germany and Nissan Diesel Motor Co. of Japan said they would jointly develop a light truck as the first step in a broader tie-up.

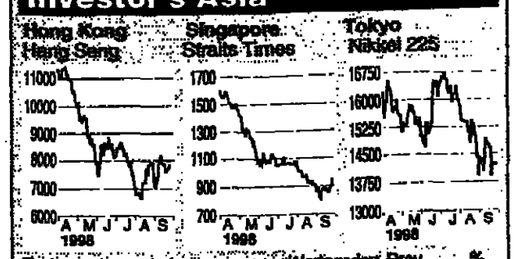
Ford Motor Co., the world's second-largest automaker, is considering increasing its 33.4 percent stake in Mazda Motor Corp., Japan's fifth-largest automaker; and Toyota Motor Corp., Japan's biggest automaker, last month took a majority stake in Daihatsu Motor Co., Japan's second-largest minivehicle maker, to expand into subcompact cars.

(Bloomberg, AP)

Stephen Shaver/Agence France-Presse

THE SHOW BEGINS — U.S. and Chinese officials attending the gala opening of Universal Studios' theme attraction in Beijing. Located in the middle of the capital, the attraction expects to draw about 1,400 visitors a day. An adult entrance ticket in peak season is to cost 35 yuan ($4.23).

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	7,860.68	7,733.47	+1.64
Singapore	Straits Times	946.75	902.80	+4.87
Sydney	All Ordinaries	2,553.20	2,554.30	-0.04
Tokyo	Nikkei 225	14,197.70	14,227.37	-0.21
Kuala Lumpur	Composite	394.04	389.08	+1.27
Bangkok	SET	218.70	211.08	+3.61
Seoul	Composite Index	313.17	310.29	+0.93
Taipei	Stock Market Index	6,972.54	6,857.96	+1.67
Manila	PSE	1,176.54	1,140.40	+3.17
Jakarta	Composite Index	290.92	292.15	-0.42
Wellington	NZSE-40	1,747.74	1,762.63	-0.84
Bombay	Sensitive Index	3,138.68	3,162.18	-0.74

Source: Telekurs — International Herald Tribune

Big Borrower From Ailing LTCB Is Said to Fail

Compiled by Our Staff From Dispatches

TOKYO — Nishi Nihon Lease & Development Corp., a finance company that is a big borrower from the ailing Long-Term Credit Bank of Japan Ltd., failed Wednesday, a credit agency said.

Nishi Nihon Lease, with about 69.4 billion yen ($518 million) in debts, filed for court protection from its creditors, said Teikoku Databank, a private credit-research concern.

Analysts said the finance company's bankruptcy was expected to add pressure on LTCB, which is on the verge of collapse with massive nonperforming loans.

Separately, LTCB denied a newspaper report that it would dissolve its alliance with UBS AG of Switzerland.

LTCB, whose fate hangs on a government bailout and a merger with Sumitomo Trust & Banking Ltd., is in three-way talks with UBS and Sumitomo Trust about its future.

"Talks are still going on between UBS and Sumitomo Trust, and we have yet to reach a conclusion," said Ichiro Murakami, an LTCB spokesman. LTCB would issue a statement on the report later, he said. A spokesman for UBS in Tokyo said the bank would not comment on speculation.

The Nihon Keizai newspaper reported that LTCB and UBS would dissolve their business alliance formed last year and would probably dissolve their cross-shareholding agreement. It said UBS would buy most of the stake in two joint ventures the two companies had agreed to establish — a brokerage and an asset-management company. UBS will expand its business in Japan through the two affiliates, the report said.

LTCB shares plunged 34 percent to close at 25 yen.

(AFP, Bloomberg)

Warburg Dillon Read and Nikko Securities Cut Asia Staffs

Bloomberg News

HONG KONG — Warburg Dillon Read and Nikko Securities Co. fired a total of 80 people in their Asian securities businesses Wednesday.

Warburg Dillon Read, the investment-banking arm of UBS AG, fired 40 people in 10 regional offices, or about 13 percent of its 317 Asian equities employees outside Japan, Australia and New Zealand. Nikko fired 31 people, or 20 percent of its Hong Kong staff, and laid off nine employees in Malaysia.

The cuts follow similar reductions in Asia by banks and brokerage companies such as J.P. Morgan & Co., Bankers Trust Corp. and Daiwa Securities Ltd. Tumbling financial markets and slowing trading volume have drastically cut commission income.

While Warburg cited the slowing economies of Asia, it also said some of the job cuts had resulted from the merger of Swiss Bank Corp., which had been Warburg's parent, with Union Bank of Switzerland, a deal that formed UBS.

Very briefly:

• **Seven of Japan's** 19 major banks, including **Bank of Tokyo-Mitsubishi**, the nation's largest, may face a credit-ratings cut for the second time this year by Standard & Poor's Corp. or Moody's Investors Service Inc. The two U.S. ratings companies cited the inability of Japan's political leaders to agree on measures to help the banks.

• **Fortis NV**, a Dutch-Belgian financial-services company, scuttled plans to buy a 15 percent stake in **AMMB Holdings Bhd.**, dashing the Malaysian financial concern's hopes of raising about $190 million in capital.

• **China's** economy is forecast to grow 9.1 percent in the fourth quarter from a year earlier, the Xinhua news agency said, quoting a government think tank. The report said such a rate in the fourth quarter would allow China to achieve its 1998 growth goal of 8 percent.

• **Ansett Holdings Ltd.**, an Australian airline, plans to cut services and fire employees as part of a drive to cut costs and raise profit to 10 percent of its revenue in three years.

• **Daiwa Bank Ltd.** of Japan plans to close its Swiss subsidiary this month, the Kyodo news agency quoted company sources as saying.

• **South Korea's** foreign-exchange reserves rose to a record $42.92 billion as of Tuesday from $41.35 billion at the end of August, the Bank of Korea said. The increase reflected the return of emergency settlement loans extended to financial institutions last year.

Bloomberg, Reuters, AFP

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For information please contact, Katy Hourl: Fax (33-1) 41 43 92 12 or e-mail: funds@iht.com

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September 16, 1998
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110 MERRILL LYNCH BANK (SUISSE) S.A. SWISS FUNDS		
d MLBS Balanced A USD		23.45.93
d MLBS Balanced B USD	Sch	3.08.00
d MLBS Fixed Inc A USD		3.07.76
d MLBS Fixed Inc B USD		3.44.65
LUXEMBOURG PORTFOLIO		
d US Dollar Fixed Inc	$	12.86
d DM Fixed Inc	DM	20.46
d ECU Fixed Inc	Ecu	13.74
d US Dollar Balanced	$	12.62
d ECU Balanced	Ecu	12.96
d Worldwide Equity		13.32
d Europe Equity Class A	$	12.370
d Europe Equity Class A		12.340
d Europe Equity Class B	$	12.661
d Europe Equity Class B		10.939
249 MERRILL LYNCH DEST STRAT PTFL		
d Class A		9.59
d Class B		9.58
212 MERRILL LYNCH DEV LTD MATURITY		
d USD Portfolio Class B	$	7.80
d USD Portfolio Class B		7.80
d Local Cy Pfl Class A1	$	4.03
d Local Cy Pfl Class B1	$	4.04
d Local Cy Pfl Class A2	$	7.77
d Local Cy Pfl Class B2	$	7.52
113 MERRILL LYNCH EMERGING MARKETS		
d Class A	$	4.08
d Class B	$	4.01
114 MERRILL LYNCH EQUITY / CONVERTIBLE SERIES NAV as of 15/9/98		
ASIAN TIGER OPPORTUNITIES PTFL		
d Class A	$	7.57
d Class B	$	7.51
BASIC VALUE PORTFOLIO		
d Class A	$	27.71
d Class B	$	26.47
d Class D	$	27.94
d Class G	$	16.49
d Class B	Z	18.28
CAPITAL PORTFOLIO		
d Class A	$	12.85
d Class B	$	12.68
CONVERTIBLE SECURITIES PTFL		
d Class A	$	17.64
d Class B	$	16.99
d Class D	$	17.77
GLOBAL ALLOCATION PTFL (US$)		
d Class A	$	14.08
d Class B	$	13.44
d Class D	$	14.16
GLOBAL SMALL CAP PORTFOLIO		
d Class A	$	9.31
d Class B	$	9.13
GLOBAL VALUE PORTFOLIO		
d Class A	$	11.46
d Class B	$	11.61
EURO EQUITY PORTFOLIO		
d Class A	$	24.71
d Class B	$	24.31
d Class C	$	26.48
d Class D	$	15.65
d Class B	Z	14.59
LATIN AMERICA PORTFOLIO		
d Class A	$	7.79
d Class B	$	7.63
d Class C	$	7.83
d Class D	$	4.44
d Class B	Z	4.42
PACIFIC EQUITY PORTFOLIO		
d Class A	$	9.94
d Class B	$	8.86
d Class C	$	9.39
d Class D	$	5.37
TECHNOLOGY PORTFOLIO		
d Class A	$	13.34
d Class B	$	13.33
d Class C	$	7.99
d Class D	$	7.87
US SMALL CAP PORTFOLIO		
d Class A	$	7.51
d Class D	$	7.49
VISIONARY PORTFOLIO		
d Class A	$	10.11
d Class B	$	9.99
WORLD NATURAL RESOURCES PTFL		
d Class A	$	10.61
d Class B	$	9.80
d Class D	$	10.67
DRAGON PORTFOLIO		
d Class A	$	7.50
d Class B	$	7.37
d Class C	$	7.54
d Class D	$	4.49
d Class B	$	4.39
115 MERRILL LYNCH GLOBAL CURRENCY BOND SERIES NAV as of 15/9/98		
ADJUSTABLE RATE SECURITIES PTFL		
d Class A	$	9.20
d Class B	$	9.18
ASIA TIGER BOND PORTFOLIO		
d Class A-1	$	7.51
d Class A-2	$	9.16
d Class B-1	$	7.21
d Class B-2	$	9.04
AUSTRALIAN DOLLAR PORTFOLIO		
d Class A	A$	25.96
d Class B	A$	22.82
CANADIAN DOLLAR PORTFOLIO		
d Class A	C$	19.84
d Class B	C$	18.77
CORPORATE HIGH INCOME PTFL		
d Class A-1	$	8.29
d Class A-2	$	12.23
d Class A-3	$	8.29
d Class B-1	$	12.08
d Class B-2	$	8.29
DEUTSCHE MARK PORTFOLIO		
d Class A	DM	17.06
d Class B	DM	16.88
EUROPEAN BOND PORTFOLIO (DM)		
d Class A-1	DM	16.40
d Class A-2	DM	22.24
d Class A-3	DM	16.60
d Class B-1	DM	22.07
EUROPEAN BOND PORTFOLIO (US$)		
d Class A-1	$	8.96
d Class A-2	$	12.26
d Class A-3	$	8.96
d Class B-2	$	12.03
POUND STERLING PORTFOLIO		
d Class A	£	22.30
d Class B	£	21.13
CORPORATE INVESTMENT GRADE PTFL		
d Class A	$	16.16
d Class B	$	15.31
YEN PORTFOLIO		
d Class A	Y	1,561
d Class B	Y	1,403
MULTI CURRENCY BOND PTFL		
d Class A-1	$	10.34
d Class A-2	$	20.88
d Class A-3	$	10.57
d Class B-2	$	27.29
US FEDERAL SECURITIES PTFL		
d Class A	$	9.81
d Class B	$	10.34
116 MERRILL LYNCH INC PORTFOLIO		
d Class A	$	5.40
d Class B	$	5.40
d Class C	$	5.40
235 MERRILL LYNCH INDIA EQUITY PTFL		
d Indian Eq Pfl-Class A	$	6.91
d Indian Eq Pfl-Class B	$	8.86
117 MERRILL LYNCH MEXICAN INC PORT		
d Mexican Inc Fund Cl A	$	8.72
d Mexican Inc Fund Cl B	$	8.71
d Mexican Inc Fund Pfd Cl A	$	2.19
d Mexican Inc Fund Pfd Cl B	$	2.18
d Mexican Inc Peso Pfd Cl B		10.00
118 MERRILL LYNCH RAV as of 15/9/98		
d Senior Floating Rate Pfd	$	9.92
DOLLAR ASSETS PORTFOLIO		
d Institutional I Shares	$	1.00
d Institutional II Shares	$	1.00
d Common Shares	$	1.00
MERRILL LYNCH SHORT-TERM WORLD INCOME PORTFOLIO		
d Class A	$	7.76
d Class B	$	7.76
119 MILLENNIUM ASSET MANAGEMENT		
m SBI Growth Mkts	$	1180.14
m SBI Global Leveraged	$	1977.20
m SBI Global Unleveraged	$	1722.48
m The USS Gbl Cum Fd (Inter.	$	1514.59
m USS Global Cum Fd	$	1386.54
120 MINERVA CAPITAL MANAGEMENT		
T 44 171 489 00 43 / F 44 171 409 2367		
m The Stock Fd	$	63.23

122 NAM POWER MANAGEMENT		
d NAM FX Dynamic	$	7.22
d NAM Yield Hedge	$	7.33
289 NAMCO (NAM) 404-92 92 6		
President 404 92 93 30		
NEW YORK ADVISERS		
d Davis Value Fund	$	14.81
d Davis Small Cap Fund	$	12.03
d Davis Real Estate Fund	$	7.34
d Davis Financial Fund	$	10.13
125 NORTH STAR FUND MANAGEMENT		
T 441 245 705 705 Fax 441 245 705 711		
d NS Lowdeposit Fund	DKK	547.00+
d NS High Performance Fd	DKK	504.00+
d NS Mortgage-Bond Fd Ccy	DKK	1,000.00+
d NS Convert Fund	DKK	272.00+
d NS International Cnv Fd	$	22.34+
d NS Bd & Mortgage Fund	DKK	1,000.00+
127 OLD MUTUAL (STL (GUERNSEY) LTD		
d DK Fixed Interest	£	5.924
d Sterling Managed	£	8.157
d Sterling Stockmarket	£	6.000
d Sterling Special Mkt	£	4.320
d Intl Fixed Interest	£	4.453
d Dollar Managed	$	4.668
d Dollar Active Stockmarket	$	6.904
d Pacific Stockmarket	$	2.962
d Dollar Special Market	$	0.984
128 OLYMPIA CAPITAL (INTL. LTD.		
Wellesley House, Hamilton HM11, Bermuda		
Tel: 441 295-1018 Fax: 441 295-2305		
d AIS Arbitrage Fund	$	134.82
d AIS Worldwide Fund	$	153.00
d Olympia Intl Abritrage PRF	FF	971.33
d RTL Int Ltd Balanced Alt Fl Ser	$	107.41
d Finsbury Group	$	314.40
d Olympia Emerging Mkts	$	174.54
d Winch. Eastern Dragon	$	14.79
d Winch. Frontier	$	88.98
d Olympia Star Series	$	352.42
d Olympia Star Ser Convertible	$	306.75
d Olympia Star FF Managed Ser	FF	2089.80
d Winch. Hldg Intl Medium	Ecu	1752.09
d Winch. Hldg Intl Ser B	Ecu	2047.42
d Winch. Hldg Intl Ser E	Ecu	2041.42
d Olympia Global Hedge	$	1346.97
d Winch. Power Mkt Gv Bd	$	1119.79
d Olympia Intl Arbitrage	$	118.70
OPPENHEIMER & CO INC		
See CISC OPPENHEIMER F		
130 OPTIGESTION PARIS GROUPE MARTIN MARIMIER		
m Optigest Glbl Fd-Fixed Inc	DM	279.264
m Optigest Glbl Fd-Gen Sub Fc	DM	221.401
m Optigest Glbl Fd-Intl Eq Sub	DM	112.108
131 OPTIMA FUND MANAGEMENT		
73 Front St, Hamilton, Bermuda 809 295-8436		
d OCF Life Sciences		9.974
d Cornucopia Ltd		14.29
d Georgica Series A7		10.621
d Graham Fin Futures Ltd		12.51
d Optima Alternative Fund		12.53
d Optima Emerald Fd Ltd		14.38
d Optima Fund		21.71
d Optima Managed Fund		26.53
d Optima Global Fund		15.84
d Optima Opportunity Fd Ltd		2.46
d Optima Plus Fund		14.64
d The Platinum Fd Ltd		14.22
d Optima Aggressive Fund		9.46
d Neptune Fund		9.992
132 ORBIS INVEST Bermuda (441) 295 3000		
d Global Equity (10/99)	$	27.84
d Optimal (US$) (10/99)	$	36.09
d Lexwarrant (US$) (10/99)	$	36.39
d Japan Equity (US$) (10/99)	$	9.48
d Optimal (Euro) (10/99)	Ecu	9.59
d Japan Equity (Yen) (10/99)	Yen	1,205.00
d Asian Equity (Hong) (10/99)	$	48.86
265 ORBITEX (BERMUDA) LTD, BERMUDA		
Tel: (441) 295-1111, Fax: (441) 295-4759		
d Orbitex Emg Mkts High Yield	$	10.00
ORBITEX MGMT LTD, NASSAU BAHAMAS		
T 809-327-5664/5 Fax 809-327-5665		
Internet: http://www.orbitex.com		
d Orbitex Cons & Inns Tech Fd	$	4.9872
d Orbitex Growth Fd	$	7.01.22
d Orbitex Growth Fd	$	5.0079
d Orbitex Health & Biotech Fd	$	3.9002
d Orbitex Liquid Fd	$	1.0000
d Orbitex Long-Short Fd	$	13.7592
d Orbitex Micro Cap Fd	$	11.1200
d Orbitex Mkt Emg Africa Fd	$	3.4863
d Orbitex Nat Res Hedge	$	9.7767
d Orbitex Real Estate Fd	CS	1,400.00
d Orbitex Health & East Eur Fd	$	7.7923
d Orbitex US-West Coast Fd	$	2.1416z
292 OXFORD ADVISORS LTD		
TEL: (+) 345 949 4400 FAX: (+) 345 949 04-41		
m Oxford Strategic Income Fd	$	97.42
134 PACTUAL		
Brazil (55) 0212 7271 Fax (55) 0212 531 1641		
d Equity Fund Ltd	$	184.9912
d Infinity Fund Ltd	$	248.9280
d Money Fund	$	176.9716
d Short Money Market Fd Ltd	$	251.1379
d Gold Deal Fd Ltd	$	118.1164
d High Income Fd Ltd	$	118.1164
298 PAIBA INTERNATIONAL FUND		
m Class A Shares	$	159.490
136 PARIBAS		
PARIVEST SUB-FUNDS		
EQUITY PORTFOLIOS		
d Parivest America C	$	24.77
d Parivest Eastern Europe C	Ecu	50.20
d Parivest Euro Equities C	Ecu	128.12
d Parivest Asian Growth C	$	14.34
d Parivest Britain C	£	1193.00
d Parivest Europe C	Ecu	54.56
d Parivest Europe Mid Cap C	Ecu	227.46
d Parivest France C	FF	2224.06
d Parivest Germany C	DM	459.20
d Parivest Greater China C	$	46
d Parivest Holland C	$	368.32
d Parivest Iberia C	Ptas	19187.60
d Parivest Italy C	Lit	1599000.00
d Parivest Japan C	Y	3916.00
d Parivest Japan Small Cap C	Y	2416
d Parivest Scandinavia C	Sek	2274
d Parivest Switzerland C	SF	422.41
d Parivest UK C	£	1793.1
d Parivest USA C	$	32.49
d Parivest World Equities C	$	110.79
BOND PORTFOLIOS		
d Parivest Dollar Bond C	$	111.56
d Parivest Old Golden C	Ecu	445.25
d Parivest Old Lux C	Lit	67000.00
d Parivest Old Baht C	Lit	12000.00
d Parivest Old CAD C	C$	261.42
d Parivest Old CHF C	SF	1074.40
d Parivest Old DKK C	Dkk	1303.30
d Parivest Old DM C	DM	212.78
d Parivest Old Dollar C	$	242.76
d Parivest Old Ecu C	Ecu	194.76
d Parivest Old FRF C	FF	7418.63
d Parivest Old Scandinavia C	Dkk	1133.23
d Parivest Old Yen C	Y	19791.00
d Parivest Medium Term NEF C	BEF	5466
d Parivest Int Bond C	$	36.40
SHORT TERM PORTFOLIOS		
d Parivest S-T Dollar C	$	147.08
d Parivest S-T BEF Plus C	BEF	6114.00
d Parivest S-T CHF C	SF	208.78
d Parivest S-T DEM C	DM	113.08
d Parivest S-T Ecu C	Ecu	120.18
d Parivest S-T FRF C	FF	1074.00
d Parivest S-T ITL C	Lit	68101.00
d Parivest S-T NLG C	Fl	317.84
GLOBAL PORTFOLIOS		
d Parivest Balanced Euro C	ECU	135.31
d Parivest Dynamic Euro C	ECU	104.24
d Parivest Growth Euro C	ECU	122.26
d Parivest Balanced BEF C	BEF	10238.00
d Parivest Balanced DEM C	DM	47.74
d Parivest Balanced CHF C	SF	224.38
d Parivest Balanced DKK C	Dkk	271.38
d Parivest Balanced ITL C	Lit	226000.00
d Parivest Balanced NLG C	Fl	359.44
d Parivest Dynamic ITL C	Lit	1237.7
d Parivest Dynamic USD C	$	154.47
d Parivest Balanced USD C	$	1,701.00
135 PARIBAS MULTI-MANAGER GLBL FD PLC		
m Paribas Arbitrage Fd Sep A	$	108.56
m Paribas Alternative Inv 30/96	$	118.28
m Paribas Alternative Inv 30/96		
137 PARK PLACE MANAGEMENT		
m PPI B 02/97 Dollar	$	12.6474

m PPI A 3/98 European Eq	$	19.29000
m PPI A 1/98 European Eq	$	12.58000
223 PASILI GROUP		
m Pasili Asian Fund Ltd		
m Pasili Dollar Fund Ltd	$	143.3400
m Pasili Euro Fund Ltd	DM	1427.3400
m Stocker Global Macro Fd	SF	1086.7400
138 PERMAL INVESTMENT FUNDS		
d Permal Holdings N.V. A	$	2082.31
d Aston Holdings N.V. A	$	1008.59
d Aston Holdings N.V. B	$	1010.70
d Emerging Mkts Hdgs N.V.	$	1045.37
d Emerging Mkts Hdgs NV B	$	1024.41
d Europa Ltd	DM	4988.46
d Europa Holdings N.V.	$	1322.65
d Europa Holdings B	$	1322.65
d Permal Inc. Special Class A	$	976.42
d Permal Inc. Special Class B	$	1004.59
d Permal Inc. Class B	$	1008.91
d P.K. Principal A Pfd Ltd	$	1525.23
d Growth N.V.	$	2130.71
d Growth Holdings N.V. A	$	2130.71
d Mezzo & Co. Holdings	$	1377.72
d Mezzo Ltd	$	1278.64
d Permal Ltd Debt Hdgs NV A	$	700.42
d Millennium Debt Hdgs NV B	$	670.40
d Japan Holdings NV A	$	1195.31
d Japan Holdings NV B	$	1179.42
139 PEMBROKE FUND MANAGERS (JERSEY) LTD		
P.O. Box 456, Westmount Chambers, Jersey JE4 8WS, Jersey, Jsy, Eng. +44 1534 38 4.45		
d Offshore Aggressive Growth Fd	$	14.5208z
d Offshore Aggressive Fd Class	$	8.6736z
d Offshore Emerg Cos Fd	$	8.0595z
d Offshore Europe Growth	$	8.4476z
d Offshore Intl Growth Fd	$	7.7146z
d Offshore Japanese Growth	$	0.7914z
d Offshore Pacific Growth Fd	$	0.7146z
d Offshore US Growth Fd	$	8.8905z
PEMBROKE OFFSHORE INC ACC FUND LTD		
d Bond Class	$	1.1972z
d E Money Market Class	$	1.1962z
d Pfd Bond Class	$	1.1895z
d US Bond Class	$	1.1895z
d USS Money Market Class	$	1.1895z
140 PICTET & CIE - GROUP		
d P.U.E. Gbl Stock - CHF	SF	108.10
d P.U.E. Gbl Stock - USD	$	108.98
d P.U.E. Gbl Stock Ind - CHF	SF	1.01.24
d P.C.F. Germany Ltd	DM	204.000
d P.C.F. Holland	F	97.64
d P.C.F. Vol (Lux)		165.61
d P.C.F. Valbond (Lux)	Flin	2104.64
d P.C.F. Valbond (Lux)	Plas	25300.00
d P.C.F. Valbond (Lux)	Lit	223972.00
d P.C.F. Valbond	F	224.34
d P.C.F. Valbond		13.30
d P.F.I. Fixed Inc CHF	SF	119.64
d P.F.I. Gl Fixed Inc USD	$	108.24
d P.F.I. Pfd	SF	891.69
d P.F.I. US $ Bd Pfd (Lux)	$	140.670
d P.F.I. Valbond Ecu (Lux)	DM	203.92
d P.F.I. Valbond Ecu (Lux)	Ecu	203.92
d P.F.I. Valbond GBP (Lux)	£	1244.60
d P.F.I. Valbond US$ (Lux)	$	1,119.77
d P.F.I. Valbond US$ (Lux)	$	948.01
d P.F.I. Valbond US$ (Lux)	$	1016.03
d P.F.I. CHF Cash Plus A	CHF	1055.58
d P.F.I. CHF Cash Plus B	CHF	993.00
d P.F.I. USD Cash Plus Cl A	$	93.24
d P.F.I. USD Cash Plus Cl B	$	93.24
d P.A.S.A. Valbond		104.72
d P.E.F. Euro Eq Ref CHF	SF	51.24
d P.E.F. World Eq Ref CHF	SF	107.10
d P.E.F. World Eq Inc N AHG	$	84.19
d P.E.F. Pfd America	$	134.33
d P.U.E. UK Equity	£	67.37
d P.F.I. 2 Balanced		14.61
d P.F.I. 2 Global Value		14.61
d P.F.I. Eastern Europe	DM	43.37
d P.F.I. Emerg Mkts (Lux)	$	128.27
d P.F.I. Emerg Mkts (Lux)	Ecu	128.27
d P.F.I. Small Cap US	$	79.47
d Pictet 4 Pfd	SF	125.10
d Pictet Bond Growth Fd		40.31
d Pictet Obligations	$	1097.30
d Pictet Swiss Mid-Small Cap	SF	1370.00
d Pictet Swiss CHF	SF	1,000.00
m Bcow Balance CHF	SF	108.49
141 PREMIER INVESTMENT FUNDS LTD		
Box P.O. Box 1100 GT, Grand Cayman		
Fax: 809 949 8494		
m Premier US Equity Fund	$	2093.60
m Premier Global Equity Fund	$	1504.40
m Premier Global Yield Plus Fd	$	1489.71
m Premier Global Bd Fd	$	1601.24
m Premier Total Return Fd	$	1004.04
251 PRIME EURO FUND PLUS		
b A - Euro Stoxx 50	Xau	1076.24
b B - Eurogix Stoxx 50	Xau	1088.30
142 PRIMED FUNDS		
m Primed Global Fd	$	11.73
m Primed Select Fund	$	14.33
223 PRIVATE CAPITAL INTERNATIONAL LTD		
T 441 295 1568 Fax 441 295 2696		
m PCI-Bay Area Estate Eq Fd	$	77.054
227 PRYCE WESTON INCORPORATED		
m United Resources Fund	$	4.85
143 PUTNAM		
m Putnam Eqs. Inds Sc. Trust	$	103.03
m Putnam Int Eq. SMALL Pd	$	7.54
d Putnam Intl Fund	$	23.57
144 QUANTUM GROUP OF FUNDS		
m Aston Development Fd		131.08
m Europe Fund N.V.		144.08
m Guardian (Japan)		6.82
m Guardian Fund N.V.	$	1970.00
m Guardian Holdings	$	1700.00
m Guardian Equity Fund	$	177.00
m Growth Intl Fund N.V.	$	210.00
m Gold Fund N.V.	$	149.00
146 REGENT FUND MANAGEMENT LTD		
m Aston Leveraged Debt Fd	$	9.84
m Aston Opportunity Fd	$	8.59
m Cayman Value		
m Cayman Value		4.51
m Real Emergent Hedge N/A		
m Regent Real Estate Hedge N/A		
m Eastern Eur Money Mkt N/A		
m Eastern Europe Tiger Fd	$	4.57
m Regent Emergent Mkts	$	4.50
m Global Emerging Value Pd	$	3.7700
m Golden Tiger Yield N/A		
m Regent KTC Dollar Debt Fd	$	10.35
m New Korea Growth Fd	$	9.34
m Pacific Arbitrage Co	$	4.12
m Pacific Arbitrage Co Ltd	$	609.00
m Red Tiger N/A		
m Regent Magnet Fd Ltd N/A		
m Regent Pacific Hdg Fd	$	136.25
m Regent Debt Fund N/A		
m Eastern Real Estate N/A		
m Regent South Asia Fd	$	1.47
m Regent Sri Lanka Fd	$	2.07
m Regent Pakistan Fd N/A		
m Underwriter Assets Africa		4.84
m Underwritten Asia Bonds		8.52
m Underwritten Assets Ser I		5.44
m Underwritten Pfd 93		4.85
m Underwr Asia Tiger Ser 3		12.05
m Wealth Tiger Inv Co Ltd N/A		
147 REIG GLOBAL FUND		
m Reig Global Fund Plus	Plas	130.722
m Reig Global Fund Euro	Ecu	120.158
148 REPUBLIC FUNDS (FAX 1 212		
m Rep Emerg Mkts Income Fd	$	84.93
m Rep US Adj Alt Fd-Cash Hedged	$	124.32
m Rep US Asset Allocation Fd	$	121.80
m Rep US Asset Allocation Hedged	$	121.80
m Republic US Fixed Inc Fd	$	117.83
m Republic Global Fixed		100.69
m Rep Short Term High Yield	$	97.29
m Rep Short Term Hgh Yield	SF	97.29
m Rep Emerg Market Debt Fd	$	92.65
m Republic Euro Ign Plus Pfd		48.99
m Republic Euro Ign Fixed		48.99
m Republic Pacific Equity		94.74
m Rep Emerg Mkts Equity Fd	$	114.70
m Rep Emerg Equity Fd		133.80
m Rep US Equity Fund		121.48
m Rep

WORLD ROUNDUP

Anderlecht Blanked

SOCCER The Belgian team Anderlecht was jeered off its own pitch after losing, 2-0, to the Swiss champions, Grasshoppers, in a UEFA Cup first-round, first-leg match Wednesday.

After a quiet first half, Alexandre Comisetti opened the scoring for the visitors in the 52d minute with a powerful header from a corner taken by Antonio Esposito. The Swiss grabbed their second goal four minutes from time when an Israeli substitute, Avraham Tikva, lifted the ball over Anderlecht's Belgian international goalkeeper, Filip De Wilde. *(For Tuesday's UEFA Cup results, see page 21.)* *(Reuters)*

Jiminez Wins 11th Stage

CYCLING Jose Maria Jimenez outflanked Fernando Escartin to win his third mountain stage of this year's Tour of Spain on Wednesday. The 186-kilometer (115-mile) stage went from the Andorran frontier to Cerler.

It was the Spaniard's second successive stage victory as he worked to defend the overall lead of his Banesto teammate, Abraham Olano, in the Pyrenees. Olano kept the leader's yellow jersey, but a late attack from his chief rival, Laurent Jalabert of France, trimmed six seconds from his overnight lead of 41 seconds. *(Reuters)*

Berasategui Advances

TENNIS Top-seeded Alberto Berasategui of Spain advanced to the third round of the Samsung Open in Bournemouth, England, with a 6-3, 4-6, 6-4 victory over Martin Rodriguez of Argentina on Wednesday.

In other second-round matches, Vicenzo Santopadre of Italy beat Michael Kohlmann of Germany, 6-0, 6-3; Marc-Kevin Goellner of Germany won over Tomas Nydahl of Sweden 7-6 (7-3), 6-2, and Alex Lopez-Moron of Spain defeated his compatriot, Oscar Serrano, 4-6, 6-4, 6-2.

In a first-round match between two other Spaniards that was completed after being suspended Tuesday by darkness, Jordi Burillo beat Sergi Bruguera 6-4, 4-6, 6-2. *(AP)*

'McGwire Stuck at 63'

Pinch-Hit Homer Breaks 6-Game 'Drought'

By Ira Berkow
New York Times Service

ST. LOUIS — Mark McGwire had not hit a home run in six games, ever since he passed Roger Maris to set the major league single-season record amid a national furor. And to some, the sky was falling. A headline in a local newspaper Tuesday read, "McGwire Stuck at 62."

To add to the misery of McGwire's fans, Sammy Sosa, his once and future nemesis and, oddly enough, pal, had gone during the week from 58 home runs to 62, equaling McGwire's total.

Then there was the problem with McGwire's back; he had suffered recent spasms. And so Tuesday night, in the first game of a doubleheader against the Pittsburgh Pirates, the St. Louis Cardinals' manager, Tony La Russa, rested McGwire.

But as is the wont of the best-laid plans of rodents and managers, things changed. And so, abruptly, did the home run race. McGwire was called on by La Russa to pinch-hit for Delino DeShields in the ninth inning of the first game, with the Cardinals trailing by 8-5, one out and no one on base.

As the mighty, right-handed-hitting McGwire stepped to the plate, the crowd of 41,271 at Busch Stadium stood and cheered. They remained on their feet as McGwire swung at a 1-0 pitch from the left-hander Jason Christiansen and sent one of his classic, arching blows into the left-center-field stands, his 63d home run of the season to break the tie with Sosa and extend the home run record.

The Cardinals came out on the losing end of the game, however, 8-6.

When asked after the game how he felt about breaking the record again, McGwire replied, "It's not a record until the season is over."

On pinch-hitting, McGwire said: "It's a tough job. You're sitting around all day and then you have to get up there and swing."

In the second game, which the Cardinals won, 9-3, McGwire was 1 for 3 with a double and two walks.

Before the game, McGwire said that he was only beginning to understand what his and Sosa's pursuit of the record had meant to the country and maybe to the world.

"It's amazing," he said, standing in front of his locker in the Cardinals' clubhouse. "I've seen the editorials and the front-page stories about what this means to people. Just today I got a letter from the prime minister of Japan and from Bob Dole."

McGwire mentioned the "Stuck on 62" headline and laughed. "Imagine. 'Stuck' on 62.' I think we've spoiled these people. Last night I got two singles, and, 'Boo, boo!' "

It wasn't quite that way, though fans are disappointed when McGwire does not belt a ball over the fence. The boos are more for the umpire, when he calls a strike on McGwire, and for the opposing pitcher, when he throws a pitch for a ball to McGwire.

McGwire and Sosa have put a new face on competition. McGwire, the son of a Southern California dentist, and Sosa, from an impoverished background in the Dominican Republic, have been as close to brotherly love as possible amid these conditions.

"People have looked at athletes these days as greedy or arrogant and then they see Sammy and I truly respecting one another, and liking one another," McGwire said. "Two guys from two different backgrounds and countries appreciating what the other is doing."

Before Tuesday night's game, McGwire had only three hits, all singles, in his last 18 at-bats. He had back spasms Sunday, but he said his back was now "outstanding."

The longest he had gone without a homer this season was, as he said, "20-something at-bats." It was in early August, and he recalled telling reporters, "There's more important things in the country than worrying about my hitting a home run."

About that statement, McGwire said: "I got kind of testy. But I'm human. It's a six-month season. And if you average 10 homers a month, you can break the record. And I had been averaging that. But I also hadn't yet realized just what all this meant to people."

Players told McGwire to enjoy the experience and pointed to Sosa, who was taking pleasure in it. "But Sammy wasn't like Griffey and me," McGwire said. "He hadn't gone through all the questions before."

McGwire had 58 homers last season and Ken Griffey Jr. had 56; Sosa had 36. "So Griffey and I have been getting it since last year, 'Can we break the record?' " McGwire said. But on the weekend of Aug. 7, the Cubs and Sosa were here for a series.

"It was before a game and Sammy and I looked at each other," McGwire said, "and I guess we both thought, 'All right, all the cameras are around, let's make them happy.' " They ran at each other and embraced. And then some 10 days later, in a series between the two teams in Wrigley Field, they did it again.

When McGwire broke Maris's record, it was against the Cubs, and Sosa ran in from his position in right field to hug McGwire. After Sosa hit his 61st and 62d homers last Sunday, McGwire called to congratulate him.

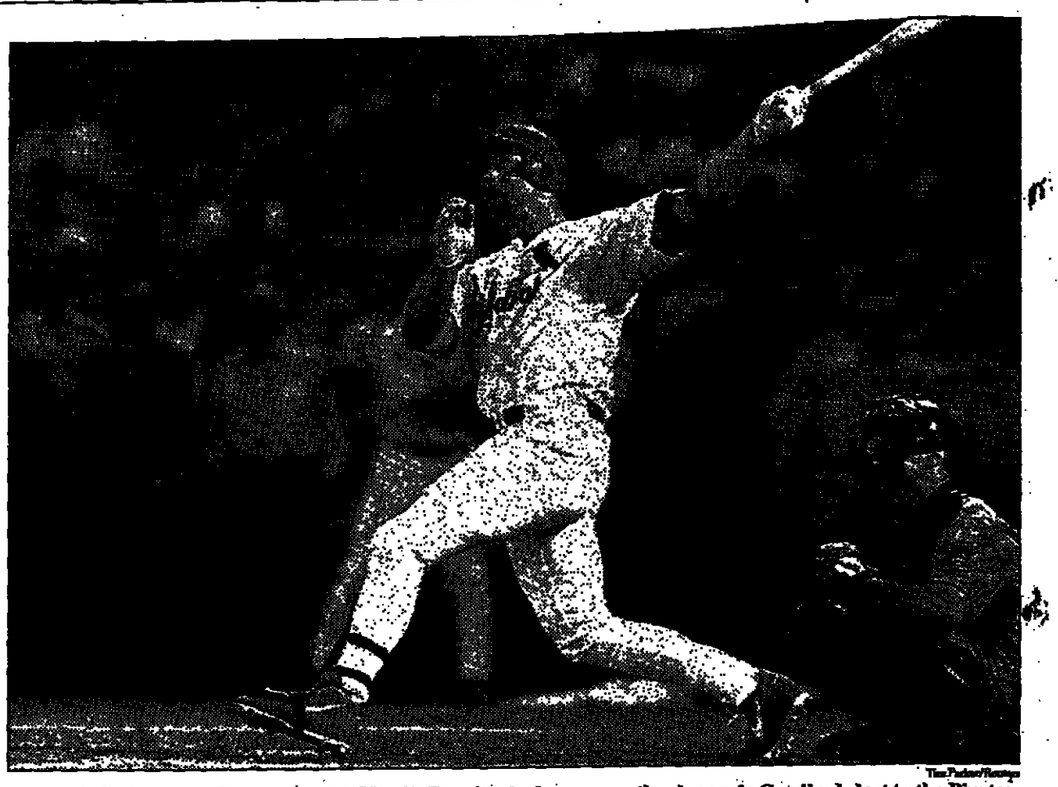
A woman called La Russa's office. She had heard that McGwire was going to play in one of the two games, but didn't know which one. If it's the first, she told La Russa, she would leave work early.

La Russa had decided to play McGwire in the second game because, he said, "more people will be at the second game than the first, and that would just give more people an opportunity to see Mark."

McGwire was asked if he would be disappointed if Sosa finished ahead of him in homers, thereby establishing the record.

"Not at all, not one iota," he said. "All I can do is control what I can do. I've done what I've done. However we end up, how can anybody say anything negative if one is ahead of the other at the finish?"

And if the two are tied for homers at season's end in a few weeks? "That," he said, "would be wonderful."



Tim Parker/Reuters

Mark McGwire going downtown with No. 63. Despite the home run, the slugger's Cardinals lost to the Pirates.

A Record Victory Cuts Angels' Lead

The Associated Press

Rolando Arrojo set a record for victories by a first-year expansion team's pitcher as the Tampa Bay Devil Rays tripped up Anaheim, 8-1, slowing the Angels' run in the AL West.

Anaheim's lead over second-place Texas was cut to one game as the Rangers rallied in the ninth to beat Baltimore.

Tampa Bay scored six runs off Jeff Juden (1-3) and Rich Butler hit a two-run homer off Mike Fetters on Tuesday night to help Arrojo (14-12) win for the first time at home since June 17. Arrojo struck out four and walked two.

He had been tied at 13 victories with Gene Brabender of the 1969 Seattle Pilots, Dave Lemanczyk of the 1977 Blue Jays and Andy Benes of the Arizona Diamondbacks this year.

Wade Boggs had a pair of RBI singles for the Devil Rays, who scored three runs in the fifth and four in the sixth.

Rangers 6, Orioles 5 In Baltimore, Ivan Rodriguez hit a two-run homer in the ninth inning as Texas came back from a five-run deficit to beat the Orioles. Will Clark opened the Texas ninth with an infield single off Arthur Rhodes. Rodriguez then hit a 1-2 pitch from Armando Benitez deep into the left-field seats, his 19th homer of the season.

Tigers 2, White Sox 0 Seth Greisinger gave up four hits in eight innings for host Detroit in a game that started nearly two hours late because of rain. Greisinger (6-8) struck out three and walked two in winning for the fifth time in six decisions.

Indians 7, Blue Jays 5 Manny Ramirez hit three homers for his first 40-homer season and drove in five runs as the Indians reduced their magic number for clinching the AL Central title to two with the triumph at home.

Red Sox 9, Yankees 4 Jason Varitek homered twice and drove in a career-high five runs and Tim Wakefield (16-8) took a shutout into the seventh at Yankee Stadium as Boston stopped a three-game losing streak, winning for only the third time in 12 games.

Mariners 12, Twins 7 In Minneapolis, Ken Griffey Jr. hit his AL-leading 52d homer and drove in five runs to become the fourth-youngest player to reach 1,000 RBIs. At 28 years and 10 months, he got to 1,000 faster than anyone except Mel Ott, Jimmy Foxx and Lou Gehrig.

Royals 6, Athletics 3 Jeff King and Scott Leius drove in two runs apiece as host Kansas City stretched its home winning streak to four.

In the National League:

Cubs 4, Padres 2 In San Diego, Sammy Sosa went homeless for the second straight game while Mark Grace's two-run homer led Chicago, which took a half-game lead over New York in the NL wild-card race. Sosa was 1-for-5 with two strikeouts.

Astros 6, Mets 5; Mets 8, Astros 4 John Olerud hit a three-run homer that erased a 3-2 deficit in the eighth inning as visiting New York gained the split. In the opener, the Mets' Carlos Baerga hit a two-run homer in the ninth, but Houston won on Derek Bell's homer in the 12th off Jeff Tam (1-1).

Al Leiter (16-5) won the second game, and Jay Powell (7-6), who won the opener, was the loser. Craig Biggio singled in the last inning of the doubleheader, becoming the first Houston player to reach 200 hits in a season.

Braves 3, Phillies 0 In Atlanta, Kevin Millwood (16-8) allowed eight hits in seven shutout innings and struck out eight. Norm Charlton pitched the ninth for his first save this the season.

Reds 5, Brewers 1 In Cincinnati, Barry Larkin and Bret Boone homered and Mike Remlinger (8-15) allowed one run and four hits in six innings.

Marlins 7, Expos 4 Randy Knorr hit a two-run triple and Mark Kotsay went 4-for-5 with two RBIs to lead visiting Florida to only its third win in 19 games.

Rockies 5, Dodgers 4 In Los Angeles, Darryl Kile (12-16) overcame a shaky start and singled to break a 3-all tie in the sixth. He allowed three runs and 10 hits in seven innings, and Jerry Dipoto pitched the ninth for his 19th save.

Diamondbacks 7, Giants 6 Travis Lee singled home the winning run in the 11th inning and host Arizona overcame a six-run deficit to drop San Francisco 4½ games back in the NL wild-card race.

BASEBALL ROUNDUP

Susie O'Neill Swims to 9th Gold Medal

The Associated Press

KUALA LUMPUR — Susie O'Neill of Australia won the ninth gold medal of her Commonwealth Games career Wednesday, matching compatriot Mike Wenden's record for the most victories by a swimmer in the history of the Games.

Australia, England and Canada got two gold medals apiece on the fourth night of competition, with Australia maintaining its huge lead in the gold medal standings. Australia has 19, Canada 4 and England 3.

With their triumphs, England and Canada gate-crashed Australia's pool party. England's James Hickman surged out hard and managed to bring home a national record in winning the 200-meter butterfly, while compatriot Mark Foster won the 50-meter freestyle gold.

Canada's Olympic silver medalist, Marianne Limpert, won the women's 200-meter individual medley in 2 minutes, 15.05 seconds, defeating compatriot Joanne Malar, while Mark Versfeld claimed a backstroke double, coming from sixth at halfway to win the 100-meter event.

Australian Rachel Harris won a surprise 800-meter gold, and O'Neill swam the freestyle leg of Australia's 4-by-100-meter team, capturing her fifth gold of these Games after one in Auckland, New Zealand, in 1990 and three in Victoria, British Columbia, in 1994.

Wenden's tally of nine golds was believed to be a record for all athletes in Commonwealth Games sports, but this could not be confirmed by the Commonwealth Games Federation because of poor record keeping.

O'Neill has a chance to break Wenden's record and equal Canadian Graham Smith's swimming record of six at one games (1978) when she contests the women's 200-meter butterfly Thursday. She is the Olympic champion in the event and said, "The win means more to me than the medal tally. It's my main event, so I want to do well."

■ **Everyone Is Slow in 100 Meters**

Ato Boldon cruised into the semifinal of the Commonwealth Games 100 meters with a fastest time of 10.05 seconds Wednesday and then said he doubted that he was running on a world record track.

Surprised that no one had gone below 10 seconds in two rounds of heats, the Trinidad sprinter admitted that he might not break Donovan Bailey's world mark of 9.84 seconds in Thursday's final.

Boldon had said earlier he thought the "Caribbean-style" heat and humidity of Kuala Lumpur were ideal for a world record performance.

But after watching rival Frankie Fredericks run 10.15 and Obadele Thompson of Barbados clock 10.09, he believed the brand new track at the 100,000-capacity National Stadium might not be fast enough.

"I'm starting to have my doubts about the track," said Boldon, who will run the semifinals and final on Thursday. "It's not just me, it's the times the other guys are running."

The opening day of athletics saw Kenyans 1-2 in the men's 10,000 meters, with Simon Maina beating William Kalya. Australia's Steve Moneghetti took bronze to win a medal for the fourth Commonwealth Games in a row.

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SPORTS

The Greatest, Still Great

Ali Is Honored by an Admirer, the UN Chief

By William C. Rhoden
New York Times Service

UNITED NATIONS, New York — Cameras were clicking inside UN headquarters when the secretary-general, Kofi Annan, presented The Greatest, Muhammad Ali, with the Messenger of Peace honor.

This was mostly a photo opportunity: The secretary-general presented Ali with a framed citation and a lapel pin in the form of a dove. Ali and his wife, Lonnie, presented the secretary-general with a pair of boxing gloves. This was a relationship filled with deep, long-standing mutual admiration.

The boxer and the secretary-general share a sports background. Annan was a sprinter and soccer player at Macalester College in Minnesota. Ali, of course, is the three-time heavyweight champion of the world, the greatest of all time. Each man has devoted his life to the pursuit of peace. Annan as a diplomat, Ali as an unofficial ambassador.

Annan established the Messenger of Peace honor as a way of recognizing that peace is not the mere province of governments but hinges on the willingness of individual citizens to use their gifts to inspire good will. Ali became the second former athlete to receive the honor. Magic Johnson was honored as well.

"People like Muhammad transcend national boundaries," Annan said.

Shortly after Annan was named secretary-general in January 1997, he initiated the Messenger of Peace award to recognize a commitment to peace, honor and human dignity. Annan recalled one of Ali's visits to the UN when he drew a picture with the inscription, "The rent we pay here on earth is service to mankind and to other people."

Annan first met Ali in 1979 when Ali, at the request of Richard Lapchick, a UN employee at the time and now the director of the Study of Sport In Society institute, requested that he address the Special Committee Against Apartheid. Actually Annan, who was born in Ghana, had admired Ali from afar for decades.

"I admired him first as an athlete, an outstanding, unique boxer," Annan said. "I also followed his own travails and difficulties and saw the way he handled himself and how he became a stronger and a better man. That's quite an achievement. Not all of us who go through traumatic experiences are able to pick up the pieces and move on stronger and better men, and Muhammad did that."

After the ceremony in Annan's office on Tuesday afternoon, Ali walked through the UN corridors and became the magnet he has been for three decades. Employees stopped, tourists snapped pictures. The Russian delegate, the delegate from Poland, a delegate from the Republic of South Korea all shook Ali's hand. Ahmad Kamal, the Pakistani delegate, warmly greeted Ali and told of the time he visited Ali in the champion's home in 1982.

Ali gave him a copy of a book of prayer and signed it. "He is not a boxer or an athlete," Kamal said. "He is a complete man."

Outside on the UN Plaza, 200 children waited and cheered as Ali arrived. One hundred of them had walked from Harlem to meet the champ, some of them weren't born — their parents may not have been born — when Ali recorded his great triumphs.

Ali smiled and walked among them, accepting handshakes and requests for photos with children. Diplomats negotiate, Kofi Annan said, but the key to true and lasting good will is the efforts of each nation's extraordinary individuals.

"We need to get everyone involved," he said. "If we can get prominent people in society from all walks of life to help get the message across, to mobilize the public to get involved in the work we are trying to do to make this world a better place, we think it will help."

Before the secretary-general excused himself, he offered one final image to put Muhammad Ali in proper perspective. Mr. Annan compared Ali to the wise farmer.

"The farmer knows instinctively that if you take something from the earth today you have to put something back to be able to return tomorrow to harvest," he said. "Muhammad understands that."

Ruben Sanchez-The Associated Press

Juninho of Atletico de Madrid scoring against FC Obilic's defender, Mrkic, and goalkeeper, Lukic, in Madrid.

Fenerbahce of Turkey Stuns Parma, 1-0

The Associated Press

Fenerbahce of Turkey, with a hefty financial bonus reportedly on the line, upset AC Parma, 1-0, as this season's UEFA Cup kicked off with 31 first-round, first-leg matches.

The other stunning result on Tuesday night saw the Dutch-league leader Feyenoord win at Stuttgart, 3-1, a match during which Dutch hooligans clashed with the police.

THE UEFA CUP

In other key games, Red Star Belgrade, Monaco, Liverpool and Fiorentina got off to winning starts.

The Romanian striker Viorel Moldovan scored for Fenerbahce on a header in the 23d minute off a free kick from Elvir Balic. The Turkish team failed to increase the margin despite a man advantage for the last 30 minutes when Dino Baggio was sent off, and a two-man edge the last two minutes when Fabio Cannavaro was dispatched.

Fenerbahce players will reportedly receive $18,000 bonuses from the team for advancing to the next stage, which means surviving in the second leg in two weeks against Parma, winners of the '93 Cup Winners Cup and the '95 UEFA Cup.

In Stuttgart, meanwhile, Jon Dahl Tomasson notched two first-half goals as Feyenoord Rotterdam shocked Stuttgart before 25,000 fans in Germany. Jean Paul Van Gastel put the Dutch ahead in the 19th minute, and Tomasson scored two minutes later to make it 2-0. Fredi Bobic got Stuttgart back into the game with a goal in the 31st, but Tomasson scored again a minute after that.

The Dutch fans tore down a fence separating the stands from the field, and several fans were arrested while one security guard was carried off injured.

In Belgrade, Red Star Belgrade scored twice in the first 12 minutes and dominated only to see Metz score in the final minute, leaving the Yugoslav team with a slim 2-1 victory. Perica Ognjenovic scored in the third minute from six meters, and Goran Drulic made it 2-0 in the 12th from nearly the same spot.

The young, inexperienced Red Star team dominated most of the match.

Monaco, semifinalists in last year's Champions Cup, got three second-half goals to beat Lodz, 3-1, in Warsaw.

In Bratislava, Slovakia, the Czech-born Patrick Berger scored in the 18th for Liverpool on a free kick from 30 meters. Karlheinz Riedle made it 2-0 on a close-in header in the 23d, and Michael Owen capped it off, scoring in the 59th for a 3-0 Liverpool victory and a comfortable edge for the second leg.

In Madrid, the Brazilian Juninho returned from injury to score in the 15th as Atletico de Madrid beat Obilic of Yugoslavia, 2-0. Jose Maria Romero added the other goal in the 53d.

China Weighs A Bid for the 2008 Olympics

The Associated Press

SEOUL — Five years after its bitter defeat in the race to host the 2000 Olympics, China gave a strong indication Wednesday that it is ready to try for the 2008 Games.

"If we have a chance, then we will bid for the Olympic Games," said Wu Shaozu, president of the Chinese Olympic Committee. "We are now actively, positively considering this matter. We are looking at 2008."

Wu said Beijing, Shanghai and Guangzhou, capital of the southern province of Guangdong, were the Chinese cities being considered for a possible bid.

The IOC president, Juan Antonio Samaranch, who made a brief stopover in China last Sunday on his way to Seoul for Olympic meetings, said he had also been told by Wu that China was "positively studying" a 2008 candidacy.

Samaranch has encouraged China to bid for the games ever since Beijing lost the 2000 contest to Sydney by two votes at the 1993 IOC session in Monaco. The Beijing bid was dogged by opposition from human rights groups, especially in the United States.

China chose not to bid for the 2004 Games, which were awarded last year to Athens. Cities have until February 2000 to submit bids to the IOC, which will then select the host city in 2001.

"We have plenty of time to consider the bid," Wu said.

The declared candidates so far for 2008 are Toronto and Osaka, Japan. Bids are also expected from previous candidates Istanbul, Seville, Spain, and Buenos Aires. Paris is weighing a possible candidacy.

A Chinese bid would have a major impact on the race for both the 2008 and 2012 games. China would provide a major challenger for the 2008 frontrunner Toronto. That would be welcomed by the United States, which is planning a bid for the 2012 Games.

If Toronto gets the 2008 Games, a U.S. city would have virtually no chance of winning the 2012 Olympics.

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Tampa Bay	59	90	.396	45
CENTRAL DIVISION				
Cleveland	83	66	.557	—
Chicago	71	79	.473	12½
Kansas City	69	80	.463	14
Minnesota	65	85	.433	18½
Detroit	58	93	.384	26
WEST DIVISION				
Anaheim	81	69	.540	—
Texas	80	70	.533	1
Seattle	69	80	.463	11½
Oakland	69	81	.460	12

x-clinched division title

NATIONAL LEAGUE

EAST DIVISION	W	L	Pct.	GB
x-Atlanta	97	55	.638	—
New York	85	68	.556	12½
Philadelphia	70	81	.464	26½
Montreal	60	92	.395	37
Florida	50	102	.329	47
CENTRAL DIVISION				
x-Houston	97	56	.634	—
Chicago	85	67	.559	11½
St. Louis	75	77	.493	21½
Milwaukee	71	81	.467	25½
Cincinnati	70	82	.461	26½
Pittsburgh	68	83	.450	28
WEST DIVISION				
x-San Diego	95	57	.625	—
San Francisco	80	71	.530	14½
Los Angeles	77	75	.507	18
Colorado	73	80	.477	22½
Arizona	61	91	.401	34

x-clinched division title

TUESDAY'S LINESCORES

AMERICAN LEAGUE

Oakland 001 011 000—3 4 0
Kansas City 000 220 10x—6 9 1
Rogers, Groom (6), T.J.Mathews (7) and Hinch; Rapp, Bevil (7), Whisenant (8), J.Montgomery (9) and Spehr. W—Rapp, 12-12. L—Rogers, 14-8. Sv—J. Montgomery (34). HRs—Oakland, Stein (25), Tejada (10), Hinch (9).

Seattle 110 100 000—32 16 0
Minnesota 002 440 11x—22 12 1
P.Abbott, Lorraine (6), Slocomb (7), Ayala (9) and Mazzone; F.Rodriguez, T. Miller (4), Corrasco (6), Guardado (7), Sampson (7) and Pierzynski. Jv.Valentin (7). W—P. Abbott, 2-0. L—F. Rodriguez, 4-6. HRs—Seattle, Griffey Jr. (52), Minnesota, Hocking (2), Lawton (19), Jv.Valentin (3).

Anaheim 000 007 000—1 5 1
Tampa Bay 100 034 00x—8 10 2
Juden, Fetters (6), Watson (6), Dickson (7), T. Wilson (8) and O'Brien; Wolbeck (7); Arrojo, Mecir (8), White (9) and Flaherty. W—Arrojo, 14-12. L—Juden, 1-3. HR—Tampa Bay, R.Butler (6).

Texas 000 004 002—6 8 0
Baltimore 023 000 00x—5 10 0
Loaiza, Gunderson (3), D. Patterson (6), Foasse (7), Crabtree (8), Wetteland (9) and I. Rodriguez; Fussell, P. Smith (6), Rhodes (6), A. Benitez (9), Orosco (9) and Webster. W—Crabtree, 5-1. L—A. Benitez, 5-5. Sv—Wetteland (40). HRs—Texas, I. Rodriguez (19). Baltimore, C. Ripken (14).

Toronto 202 001 000—5 10 2
Cleveland 211 020 10x—7 13 0
Stieb, Almanzar (5), VonRyn (7), Quantrill (7), Plesac (8) and Fletcher; B. Santiago (8); Colon, Ogea (5), Poole (8), D. Jones (8), Assenmacher (9) and S. Alomar. W—Ogea, 5-3. L—Stieb, 1-2. Sv—Assenmacher (2). HRs—Cleveland, M. Ramirez 3 (40).

Boston 022 200 200—9 9 0
New York 000 000 310—4 8 1
Wakefield, Cosme (7), Gordon (9) and Varitek; Jeronimo, Buddie (3), Timmer (5), Nelson (6), Stanton (7), Holmes (8), M. Rivera (9) and Posada. W—Wakefield, 16-8. L—Jeronimo, 0-1. HRs—Boston, Varitek 2 (7). New York, B. Williams (25), Brosius (18).

Chicago 000 000 000—0 5 4
Detroit 000 001 10x—2 8 0
Sirotka, Bradford (8) and Kraeter; Greisinger, To.Jones (9) and Siddall. W—Greisinger, 6-8. L—Sirotka, 12-15. Sv—To.Jones (26).

NATIONAL LEAGUE

New York 020 000 002 010—5 11 0
Houston 100 200 010 011—6 12 1
(12 innings): Reynoso, McMichael (7), Beltran (9), Wendell (9), J. Franco (11), Tam (12) and Hundley; Fabregas (10), Pratt (12); Reynolds, Elarton (7), Ja.Powell (12) and Eusebio, Ausmus (7), Mabry (8). W—Ja.Powell, 7-5. L—Tam, 1-1. HRs—New York, Bonilla (7), R. Ordonez (1). Houston, De.Bell (21), Bagwell (33).

New York 110 000 032—6 15 0
Houston 100 020 010—4 8 0
A.Leiter, Wendell (8) and Piazza; T.Mlicki, Nitkowski (5), Ja.Powell (8), Magnante (8), D. Henry (9) and Ausmus, Eusebio (9). W—A. Leiter, 16-5. L—Ja.Powell, 7-6. Sv—Wendell (3). HRs—New York, Olerud (20), Huskey (13).

Pittsburgh 022 030 010—8 9 0
St. Louis 013 010 001—6 9 0
Liefer, Tabaka (4), Lawrence (4), Rincon (7), Ad.Williams (8), Christiansen (9), Loiselle (9) and Kendall; Osborne, C. King (5), Brantley (8) and Lampkin, Mantei (7). W—Lawrence, 2-1. L—Osborne, 4-4. Sv—Loiselle (19). HRs—Pittsburgh, K. Young (25), J. Guillen (13). St. Louis, McGwire (63), Drew 2 (3), R. Lankford (29).

Pittsburgh 000 100 110—3 7 1
St. Louis 301 000 14x—9 14 0
Silva, Ja.Martinez (6), Rincon (7), Loiselle (8) and Osik; Ayala, Petkovsek (7), Croushore (8), Acevedo (8) and Marrero. W—Ayala 5-6. L—Silva 6-5. Sv—Acevedo (12).

Milwaukee 001 000 000—1 7 1
Cincinnati 101 100 20x—5 14 0
Kori, De los santos (7) and Mathews, Hughes (7); Remlinger, Graves (7) and Fordyce. W—Remlinger, 8-15. L—Kori, 9-10. Sv—Graves (6). HRs—Cincinnati, B. Larkin (16), B. Boone (20).

Florida 030 020 110—7 11 2
Montreal 100 011 001—4 11 3
Medina, Darensbourg (6), Stanifer (6), Alfonseca (7), Montel (9) and Knorr; Thurman, Bennett (6), T. Young (7), M. Maddox (7), Telford (8), Bullinger (9) and Henley. W—Medina, 2-4. L—Thurman, 3-5. HR—Montreal, V. Guerrero (30).

Philadelphia 000 000 000—0 8 0
Atlanta 002 000 00x—3 8 0
T.Green, Spradlin (6), Y. Perez (7), Gomes (8) and Estalella; Millwood, Perez (8), Chariton (9) and J. Lopez. W—Millwood, 16-8. L—T. Green, 6-11. Sv—Chariton (1).

Colorado 002 011 001—5 7 0
Los Angeles 200 010 001—4 12 3
Kile, Leskanic (8), Dipoto (9) and J. Reed; Park and C. Johnson. W—Kile 12-16. L—Park 13-9. Sv—Dipoto (19). HRs—Los Angeles, C.Johnson (19).

Chicago 000 000 400—4 10 0
San Diego 000 001 001—2 6 1
Tapani, Beck (9) and Houston; K.Brown, Boehringer (8), R. Ramirez (8), S. Sanders (9) and C. Hernandez, G. Myers (8). W—Tapani 19-7. L—K. Brown 18-7. Sv—Beck (47). HRs—Chicago, Ma.Grace (17). San Diego, Q. Veras (6).

San Fran. 000 400 000 00—4 6 1
Arizona 000 200 202 01—7 15 0
(11 innings): Rueter, R. Rodriguez (7), Johnstone (7), Nen (8), Mesa (10) and Mayne; Telemaco, Sodowsky (4), F. Rodriguez (6), Embree (8), W. Banks (9), Olson (11) and Stinnett, Miller (10). W—Olson 2-3. L—Mesa 5-3. HRs—San Francisco, Dunston (3). Arizona, M. Williams (19).

JAPANESE LEAGUES

CENTRAL LEAGUE

	W	L	T	Pct	GB
Yokohama	67	46	1	.592	—
Chunichi	67	51	1	.568	2½
Yomiuri	65	58	0	.528	7
Yakult	57	60	0	.487	12
Hiroshima	54	67	0	.446	17
Hanshin	46	74	0	.383	24½

PACIFIC LEAGUE

	W	L	T	Pct	GB
Nippon Ham	63	56	2	.529	—
Daiei	65	58	1	.528	—
Seibu	57	53	3	.518	1½
Kintetsu	62	59	1	.512	2
Orix	56	62	3	.475	6½
Lotte	50	65	2	.436	11

WEDNESDAY'S RESULTS

CENTRAL LEAGUE

Yomiuri 3, Yokohama 2
Chunichi 5, Yakult 2
Hiroshima 5, Hanshin 4

PACIFIC LEAGUE

Nippon Ham 10, Orix 3
Daiei 6, Seibu 4
Kintetsu 5, Lotte 3

CRICKET

INDIA VS. PAKISTAN
THIRD 1-DAY INTERNATIONAL
SAHARA CUP
WEDNESDAY, IN TORONTO, CANADA

Pakistan 257-5.
Five match series, level 1-1.

CYCLING

Tour of Spain

Leading placings Wednesday in the 186km (116 miles), 11th leg from the Andorran frontier to Vuelta a Espana:
1. Jose Maria Jimenez, Spain, Banesto four hours 55 minutes five seconds
2. Roberto Heras, Spain, Kelme
3. Fernando Escartin, Spain, Kelme
4. Daniel Clavera, Sp., Vitalicio Seguros s.t.
5. Alex Zaelle, Switzerland, Lotus 13s
6. Laurent Jalabert, France, ONCE
7. Manuel Beltran, Spain, Banesto s. t.
8. Abraham Olano, Spain, Banesto 19 secs
9. Marcos Serrano, Spain, Kelme
10. Gianluca Valoti, Italy, Polti s.t.

OVERALL: 1. Olano 47 hours 52 minutes and 23 seconds; 2. Jalabert 35 secs behind; 3. Escartin 51; 4. Jimenez 1:17; 5. Clavero 2:01; 6. Galdeano 2:09; 7. Zaelle 2:19; 8. Heras 2:24; 9. Armstrong 2:44; 10. Camenzind 2:47.

RUGBY UNION

WORLD CUP QUALIFYING

Zimbabwe 32, Ivory Coast 0

SOCCER

UEFA CUP

FIRST ROUND, FIRST LEG
WEDNESDAY RESULT

Grasshoppers, Swit., 2, Anderlecht, Belg., 0

LATE RESULTS, TUESDAY

Aston Villa, Eng., 3, Stromsgodset, Nor., 2
Atletico Madrid, Spain, 2, Obilic, Yug., 0
Beitar Jer., Isr., 1, Glas. Rangers, Scot., 1, tie
Blackburn, Eng., 0, Lyon, Fra., 1
Bordeaux, Fra., 1, Rapid Vienna, Aus., 1, tie
Fiorentina, It., 2, Hadjuk Split, Croatia, 1
Kosice, Slovakia, 0, Liverpool, England, 3
Leeds, England, 1, Maritimo, Portugal, 0
Servette, Swit., 2, CSKA Sofia, Bulg., 1
Sigma, Czech R., 2, Olym. Mars., Fra., 2, tie
Sparta Prague, Czech R., 2, Real Soc., Sp., 4
Sporting Lisbon, Port., 0, Bologna, It., 2
Steaua Bucharest, Rom., 3, Valencia, Sp., 4
Stuttgart, Ger., 1, Feyenoord, Neth., 3
Vejle, Den., 1, Real Betis, Spain, 0
Vit. Guimares, Port., 1, Glas. Celtic, Scot., 2
Udinese, It., 1, Bayer Lev., Germ., 1, tie
Ujpest, Hung., 0, Club Brugges, Belg., 5
Vitesse, Neth., 3, AEK Athens 0
FC Zurich, Swit., 4, Anorthosis, Cyprus, 0

TRANSITIONS

BASEBALL
AMERICAN LEAGUE

KANSAS CITY—Signed Tony Muser, manager, through the 1999 season.
TORONTO—Recalled INF Kevin Witt from Syracuse, I.L.

NATIONAL LEAGUE

LOS ANGELES—Recalled 2B Mike Metcalfe from San Antonio, T.L.
MILWAUKEE—Announced that their Class AA farm team will be located in Huntsville, Ala., next season.
PITTSBURGH—Added Altoona Curve, E.L., to its minor-league affiliates.

FOOTBALL
NATIONAL FOOTBALL LEAGUE

ARIZONA—Released LB Lyron Cobbins from practice squad.
DENVER—Waived DB Tori Noel from practice squad.
MIAMI—Put S Shawn Wooden on injured reserve. Signed S Rayna Stewart. Terminated the contract of WR Andy McCullough from practice squad. Signed CB Terry Billups.
MINNESOTA—Signed QB Jay Fiedler. Waived S Kerry Cooks. Released LB Armon Williams from practice squad.
PHILADELPHIA — Released TE Chad Lewis.
S.F. 49ERS—Waived P Eddie Howard. Activated OT Jamie Brown from reserve-suspended list.
WASHINGTON—Released K Scott Blanton. Signed K David Akers from practice squad. Waived QB Pat Barnes from practice squad. Signed OT Ozell Powell to practice squad.

HOCKEY
NATIONAL HOCKEY LEAGUE

OTTAWA—Re-signed D Keith Carney to multiyear contract.
PHOENIX—Re-signed D Keith Carney to multiyear contract.

COLLEGE

BIG SOUTH CONFERENCE—Named Drew Dickerson director of public relations.
AUBURN—Announced the resignation of John Kenneson, assistant track and field coach.
BUTLER—Named Ben Weaver mens golf coach.
CINCINNATI—Named John Reis womens golf coach.
DUQUESNE—Announced the retirement of Norm Frey, assistant baseball coach.
JUNIATA—Announced the resignation of Greg Mahosky, womens tennis coach. Named Ann Houck womens tennis coach.
NORTH CAROLINA—Suspended G Jon Hall from football team.
RIDER—Named Ali Jaques part-time womens assistant basketball coach.
SACRED HEART—Named Tara Fisher womens lacrosse coach and Thomas Ciccarone mens and womens fencing coach.
ST. FRANCIS, PA.—Named Eryn Ivnik womens assistant basketball coach.
SAM HOUSTON—Named Brenda Gray assistant director of athletics.

DENNIS THE MENACE

"EVERYBODY TALKS ABOUT CONSERVING ENERGY, BUT RUFF'S THE ONLY ONE DOIN' IT!"

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

MEZIA
CIDDE
HUCNAH
BOUSTE

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ( ) THE "( )" (Answers tomorrow)

Yesterday's Jumbles: SIEGE SLANT TRUSTY HIATUS
Answer: This made the hairdresser popular — SHEAR TALENT

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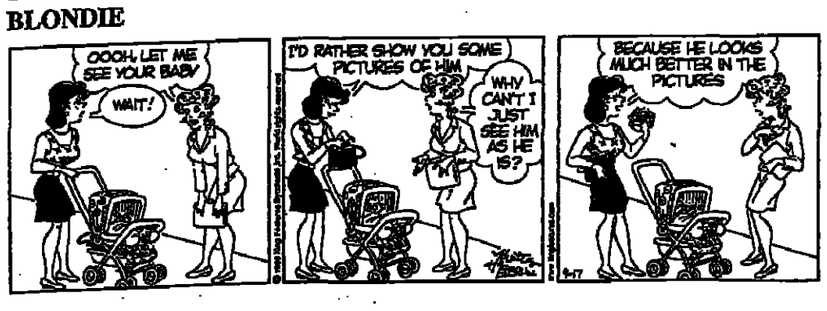
PEANUTS

GARFIELD

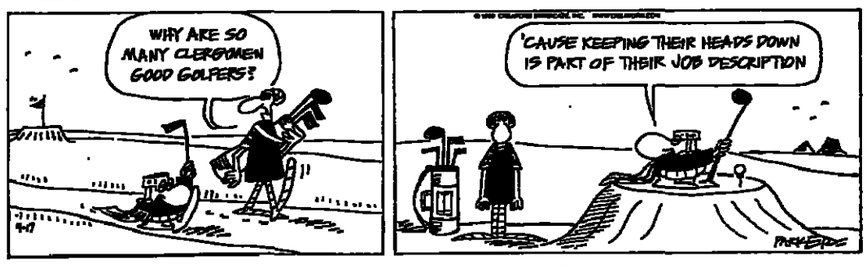
BEETLE BAILEY

BLONDIE



CALVIN AND HOBBES

WIZARD of ID



NON SEQUITUR

DOONESBURY

ART BUCHWALD

Howl of the Tabloids

NEW YORK — I was sitting on the subway next to two men reading their tabloid newspapers. The stories had to do with Clinton grand jury testimony.

One man said to the other, "Kinky."

The other said, "Sleazy."

"Impeachment."

"Kinky, sleazy impeachment," No. 2 said.

"And an apology thrown in."

Buchwald

The second said, "Don't forget perjury."

"Or suborning justice."

"If I demanded forgiveness my wife would kill me."

"What about stuff that went on in the Oval Office when we were trying to get a decent health care bill?"

"Phone sex. If you live in the White House, you can't ignore phone sex."

"Or any other kind of sex."

"My tabloid says the DNA tests are 8 million in favor of Clinton."

"That's more than you can get on a lottery."

"Ugly mess."

"Devastating evidence."

"Media frenzy."

"Shame, shame, shame."

"Can I read your tabloid?"

"If I can read yours."

"Mine says we're in a cesspool."

"I'm reading nothing but Romeo and Juliet, which could be a great love story if she wasn't so young and he wasn't so old."

"Monica was the only intern who found a home of her own in the Oval Office. That's what made it all such a good tabloid story."

□

"Sex is not an impeachable offense."

"What is it?"

"It's something a president does to relieve the pressure of Iraq."

"Clinton liked hugging Monica in the Rose Garden."

"He hugged a lot of people in the Rose Garden. That's what made him a great president. If you don't believe me, just watch the clips every night on television."

Lincoln Center Given $25 Million

New York Times Service

NEW YORK — A record $25 million has been given to Lincoln Center for the Performing Arts by a new board member, Julian Robertson Jr., chairman of the investment fund Tiger Management. Lincoln Center officials said the fountain plaza would be renamed in honor of Robertson's wife, Josie.

Announcing the donation Tuesday, they called it the largest single gift to the center by an individual and said the money would be divided among the center's own artistic programs and its 12 constituent members, with the largest share going to members through outright grants.

Among other things, the money will help underwrite new series, such as one on American popular standards that is to start in February, said Nathan Leventhal, Lincoln Center's president. The largest constituent, the Metropolitan Opera, would receive about $4 million.

Stung, This Nobel Laureate Is Still Taking Risks

By Nicholas Wade
New York Times Service

ANDERSON VALLEY, California — Kary Mullis, Nobel laureate in chemistry, is jumping up and down at the kitchen table of his cabin, a place in the woods several miles beyond the end of the paved road. His large head and wiry body shake as if in rage. From his lips comes an angry buzzing sound.

He is imitating a swarm of yellow jackets, acting out an episode in which the wily insects ambushed him, inflicting five stings around the mouth, after he had attacked their nest. He goes on to tell how he invented a novel brew, concocted in his kitchen blender, that eliminated the aggressors from his property for a season.

He feels the same way toward his former colleagues at Cetus Corp., where he invented the technique that won him the Nobel Prize. "None of those vultures had anything to do with it," he says emphatically. He is aggrieved that Cetus paid him a mere $10,000 for the discovery but later sold it to Hoffmann-La Roche for $300 million.

His invention, known as the polymerase chain reaction or PCR, is used for amplifying chosen sections of DNA and has quickly become an essential tool for biologists, DNA forensics labs and almost anyone else who needs to study genetic material.

Science has been just one of the keen interests in Mullis's life, competing with psychedelic drugs and women, although he is now happily married to his fourth wife, Nancy Cosgrove. His newest interest is writing. A book of essays, "Dancing Naked in the Mind Field," was published last month by Pantheon.

For those who would like to analyze creativity and sell it in bottles, Mullis would seem a promising subject. His invention is highly original and significant, virtually dividing biology into two epochs — before PCR and after PCR. Yet the Mullis formula for creativity, on closer inspection, is a brew probably somewhat unsuitable for general consumption.

One ingredient is unbounded self-confidence. "Part of it has to do with his ego and belief that he's much smarter than the people around him," said Corey Levenson, a former Cetus colleague. "Most people who launch into an unfamiliar area would first speak to recognized authorities and get all the background. Kary saw that as a waste of time. He figured it would take less time to do the experiments himself."

Mullis's friends speak of his physical as well as intellectual risk-taking. Frank McCormick, a cancer biologist at the University of California, recalls seeing Mullis in Aspen skiing down the center of an icy road through fast two-way traffic. "Mullis had a vision that he would die by crashing his head against a redwood tree. Hence he is fearless wherever there are no redwoods," McCormick said.

Along with lack of fear comes a lack of concern about people's opinions. In his book Mullis describes episodes that others might keep private, such as the time he addressed the Empress of Japan as "sweetie" when being awarded the Japan prize, and how he was nearly arrested when he went to Stockholm for his Nobel Prize, for playing a laser beam from his hotel room at passers-by.

His fondness for the heterodox is evident in the account of a lecture he gave in April 1994 at a medical society conference in Toledo, Spain. "Just before the lecture, he told me he would not speak about the PCR but would tell his ideas about AIDS not being caused by the HIV virus," the ambushed president of the society, John Martin, wrote afterward in a letter to Nature.

"His only slides (on what he called 'his art') were photographs he had taken of naked women with colored lights projected on their bodies," Martin continued. "He accused science of being universally corrupt with widespread falsification of data to obtain grants. Finally he impugned the honesty of several named scientists working in the HIV field."

Robert Burroughs/The New York Times

Kary Mullis on the beach in La Jolla with Nancy Cosgrove.

Mullis trained as a chemist at the Georgia Institute of Technology and at the University of California at Berkeley. Then, shortly after getting his Ph.D., he dropped off the scientist's usual career path, first to write fiction and then, for two years, to manage a bakery.

It was a friend, Thomas White, who found him jobs back in science, first at the University of California at San Francisco and then at Cetus, one of the first biotechnology companies. Mullis's job, essentially that of a technician, was to make short chains of DNA for other scientists. When machines became available to do the job, he had time on his hands for other pursuits.

Mullis has often described how the concept of PCR came to him during a night drive. He was playing in his mind with a new way of analyzing mutations in DNA and suddenly realized that he had thought up instead a method of amplifying any DNA region of choice. Before the trip was over, Mullis has written, he was already savoring prospects of the Nobel Prize.

That night journey was made in 1983; the Nobel Prize came 10 years later. But by then Mullis had dropped out of full-time science again. He left Cetus in 1986, earning his living by consulting and lecturing. He has published no more scientific papers. The divine spark that kindled the idea of PCR has not struck again.

"I like writing about biology, not doing it," Mullis says. "I don't want to go back to the lab myself and don't want to have people under my command. Fiction is my way around doing experiments."

He also enjoys giving lectures. "I love a microphone and a big crowd; I'm an entertainer, I guess."

Some of his agenda seems to have been selected with an eye to the shock value of adopting beliefs untypical of Nobel prize-winning scientists. He echoes the belief of the distinguished virologist Peter Duesberg that HIV is not the cause of AIDS. He disputes the arguments that chlorofluorocarbons are depleting the ozone layer and that industrial waste gases may cause the climate to get hotter.

"Scientists are doing an awful lot of damage to the world in the name of helping it. I don't mind attacking my own fraternity because I am ashamed of it," Mullis says.

He jumps to his feet to swat a yellow jacket that has infiltrated the cabin.

Given his success as an independent thinker in chemistry, Mullis's challenges to other kinds of orthodoxy are not to be lightly dismissed. But the line between fact and entertainment in Mullis's world can be hard to discern. In his book he professes to believe in reincarnation and astrology, to have been rescued from a fatal accident by a person traveling in an astral plane and to have conversed with an alien disguised as a raccoon.

Is it not awkward to accommodate reincarnation within the theory of evolution? "I don't think DNA is the whole thing even though I invented a cool way of playing with it," Mullis declares.

Mullis believes his colleagues at Cetus tried to take the credit for the invention away from him. White, the friend who got him a job at Cetus and oversaw part of the development of PCR, denies that, saying a plan to have Mullis write the first paper describing the theory went awry because Mullis whiled away the summer creating fractal pictures on Cetus's computers instead of doing experiments.

By default, a paper by other scientists on the applications of PCR was published first. Mullis's own paper was then rejected by the journals Nature and Science on the grounds that it was not new. "I feel he has never accepted responsibility for the course of how the publications came out," White said.

PEOPLE

Jeff Christensen/Reuters

FOR OPENERS — Elizabeth Hurley and Ben Stiller, stars of "Permanent Midnight," at the premiere of the movie in New York.

A NOTEBOOK containing draft lyrics for the Beatles' songs "Hey Jude" and "Sergeant Pepper's Lonely Hearts Club Band" was sold for $168,000 at Sotheby's. **Alan Murphy**, a private collector from Liverpool, the birthplace of the Beatles, bought the spiral-bound book as a surprise for his daughter's 21st birthday. The notebook, which includes doodles by **John Lennon**, was part of a Sotheby's sale of rock and roll memorabilia at the Hard Rock Cafe in London. The Beatles' road manager, **Mal Evans**, compiled the book. . . . The former Spice Girl **Geri Halliwell** parted with her pop diva wardrobe and other memorabilia on Wednesday, the second day of Sotheby's rock auction, raising almost £145,000 ($242,150) for a children's cancer charity. A Union Jack dress worn by Ginger Spice for a performance at last year's Brit Awards was the highlight, fetching £41,320.

□

Mohamed al Fayed, the owner of the London department store Harrods, thinks his life is interesting. Just look on his Web site. The new site — *www.alfayed.com* — says it is dedicated to carrying a "comprehensive database of newspaper articles relating to al Fayed's interesting life." The site includes a large section of stories related to the car crash last year in Paris that killed his son, **Dodi**, and **Diana, Princess of Wales**. A section under construction will contain three subheadings about the couple: "The Love Affair," "August 31" and "Unanswered Questions."

□

After agreeing to donate a prized diary written during the infancy of the United States, **Cory Luxmoore** took a taxi to his hotel in Philadelphia, walked in the door and realized he had left his ancestor's 190-year-old journal on the back seat of the cab. "I've felt sick" since then, said Luxmoore, who has been trying desperately to find the diary, which contains notes on meeting **George Washington** and many other figures in Philadelphia's history. The diary, lost Sept. 4, was one of several kept by Luxmoore's ancestor **Deborah Norris Logan**. The Library Company, the intended beneficiary of the gift, is offering a $1,000 reward for the book's safe return.

□

A life-size bronze statue of **Bert Parks**, the longtime master of ceremonies of the Miss America Pageant, is now on display in Atlantic City, New Jersey. The $35,000 creation in the courtyard of the Sheraton Atlantic City Convention Center is equipped with motion sensors that, when tripped by the head of a visitor, activate a recording of Parks singing "There She Is," his serenade to each year's winner. Parks died in 1992 at 77.

New Kennedy Center Award for Richard Pryor

New York Times Service

WASHINGTON — To recognize those who create humor from their uniquely American experiences, the John F. Kennedy Center for the Performing Arts in Washington is establishing a Celebration of American Humor and a prize named for Mark Twain. The center announced Tuesday that the first recipient of the Kennedy Center Mark Twain Prize will be the comedian and actor Richard Pryor.

Pryor will be honored in the Concert Hall on Oct. 20 at the culmination of three days of lectures, symposiums and master classes beginning on Oct. 18.

The center said participants in the program, which it expects to be an annual event, will include Chevy Chase, Morgan Freeman, Danny Glover, Whoopi Goldberg, Damon Wayans and Robin Williams. It is to be televised in January on the Comedy Central cable channel.

(put on a happy face)

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